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THE WEATHER—PARIS: Thursday, cloudy with scattered showers. Temp. 4-8 (39-46). Friday, cloudy. Temp. 5-7 (37-44). LONDON: Thursday, cloudy with rain. Temp. 5-7 (37-44). Friday, sunshine turning to showers. Temp. 5-7 (37-44). NEW YORK: Thursday, cloudy. Temp. 1-13 (30-55).

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PARIS, THURSDAY, JANUARY 26, 1978

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Aerial Search Widened No Radiation Found From Soviet Satellite

YELLOWKNIFE, Northwest Territories, Jan. 25 (AP)—The aerial search for radiation contamination from a fallen Soviet spy satellite has been expanded into U.S. territory north of Chicago, but no radioactivity has been detected so far, Canadian officials said.

Maj. George Haswell, Defense Department spokesman in Ottawa, stressed that the search was only a precautionary measure, begun after the nuclear-powered satellite, burned up over northern Canada yesterday. He said the sweeps by specially equipped planes taking air samples were broadened to include a larger area of Canada, between James Bay and Lake Superior, and part of the northern United States, between Lake Superior and Lake Michigan.



Cosmos of the type which integrated over Canada.

A U.S. State Department spokesman said this morning that the search did not include U.S. territory. No reason was immediately available for the discrepancy in reports.

The search for possible debris from the satellite, which carried 110 pounds of enriched uranium 235, as well as for possible radiation contamination, was concentrated over an unpopulated region east of Great Slave Lake in the Northwest Territories.

A Canadian armed forces nuclear response team checked the streets of this nearby town with Geiger counters and "the results were zero," said Capt. John Lyne, the group's leader.

Radiation Cloud Warning
In West Germany, Prof. Heinz Kaminski, director of a private institute for space research at Bochum, said the satellite must have left a radiation cloud about 200 miles long at an altitude of 30 to 40 miles, although so far no such cloud has been detected.

Asked why he thought such a cloud may have formed, Prof. Kaminski—a well-known scientist often quoted in the West German press on space matters—said: "With every re-entering (of a satellite) and consequent disintegration, ionized clouds have developed and will always develop. That is simply physics."

Told that no trace of radiation has been found in Canada, Prof. Kaminski said the planes might be flying too low to detect a nuclear cloud. He urged officials to send up a weather balloon to take samples. His own institute has satellite-tracking equipment.

Such a cloud has a tendency to drop, and it could affect any part of the northern hemisphere within a few weeks, he said.

Prof. Kaminski called the satellite's plunge "a technological scandal" and accused the Soviet Union of having violated "in spirit, if not in letter" international agreements on nuclear security. He warned against underestimating the satellite's potential radiation dangers.

France Urges Arms Control From Space

Also Asks Conference
by Europe on Curbs

PARIS, Jan. 25 (Reuters)—France today proposed an international system of space satellites to check on whether world armament agreements are honored.

The French plan for using space technology to check implementation of arms-limitation agreements is part of a program to be submitted to the United Nations in May.

It offered a way to circumvent a controversial problem of on-site inspections, which has hampered East-West negotiations on disarmament controls.

The Soviet Union has refused to allow inspectors, alleging that the United States would use them for spying.

The French plan also called for European conference on arms limitation to cover an area stretching from the continent's Atlantic coast to the Ural Mountains in the Soviet Union.

France's initiative, announced President Valéry Giscard d'Estaing, signed the end of two-decade-old policy of refusing to come involved in international armament negotiations.

The plan, to be presented at a special UN General Assembly meeting on disarmament from 23 to 26 June, called for the setting up of the 30-nation disarmament conference in Geneva as its replacement by a new and exclusive body.

Officials said that a principal objective of the plan was to isolate China—which does not participate in the Geneva conference—with the international effort to reduce armaments.

Radiation Leak at Belgian Plant affects 6 Slightly

BRUSSELS, Jan. 25 (UPI)—Persons were treated for slight radiation effects following a minor leak at a Belgian nuclear power plant Jan. 13, but none of them suffered any health hazard, spokesman for the plant at Middelkerke said today.

The spokesman said that iodine leaked into the atmosphere because of a small crack in one of the reactor core fuel elements. But he denied claims by the local chapter of an ecological group, the Friends of Earth, in nearby town of Huy in southern Belgium that some workers received 900 times the maximum permitted dose of radiation.

The group, which publicized the leak, said that 80 workers were kept under observation both the plant and at the nuclear search center at Mol, in northern Belgium.

A severe control showed that persons received a very small dose of radiation, the company spokesman said. "For the one who received the highest radiation, it amounted to 100 millirem, the maximum permitted is 5,000."

He called the incident a "minor leak." The plant was closed three days for checks, after which normal operations were resumed.

Somalis Claim to Capture Cubans

NAIROBI, Jan. 25 (UPI)—Somali agents announced today that they have captured Cuban soldiers for the first time since fighting broke out in Ethiopia's Ogaden region in July.

Somalia's Mogadishu radio quoted the insurgent newspaper Danab (Lightning Bolt) as saying that the Cubans were taken prisoner in heavy fighting which has engulfed the city of Harar, one of Ethiopia's last two strongholds in the area.

The report said "other allied troops" were killed in the fighting, referring apparently to Soviet or East European soldiers who have been accused of aiding the Adde Ababa regime.

The report did not mention how many prisoners were taken or how many troops were killed. It said the Western Somali Liberation Front "is gaining the upper hand on the Ethiopians and their partners in crime."

Danab said that 30 Ethiopian planes were being used in the attack, which reportedly began Sunday with an Ethiopian counter-offensive to recapture the Ogaden area.

The Somalis said they repelled the attack, captured the towns of Beidale and Mambiro east of Harar, and took the battle into the city.

U.S. intelligence has detected about 2,000 Cubans in Ethiopia in the last two weeks, with some of them reported to be in such places as Harar to take up combat roles. There also are said to be an estimated 1,000 Soviet military advisers in Ethiopia.

The Cubans reportedly brought two mechanized battalions to Ethiopia, and it was assumed these troops would be used to spearhead an Ethiopian counter-attack against the Somalis.

Cuban advisers also were reported to be manning Soviet weaponry, such as BM-21 rocket artillery and 155-MM guns, which have been pouring into Ethiopia since November in a big Russian air and sea supply effort.

The artillery positions encircle Harar in the Abnax Mountains and it may have been in one of these areas that the Cubans were taken prisoner.

Ethiopia has denied that Soviet or Cuban military personnel were in the country.

Addis Ababa radio yesterday broadcast a statement which appeared aimed at rejecting the Somali claims of heavy fighting near Harar, which lies 250 miles east of the capital.

The radio said that representatives of the Ethiopian Provisional Government in Harar Province attended a rally at the 1,300-year-old city in order to appeal to the authorities to allow residents to take over police duties, freeing troops for the Ethiopian counter-attack.

Dutch Court Says RAF Terrorist May Be Extradited by W. Germany

MAASTRICHT, the Netherlands, Jan. 25 (Reuters)—A court ruled today that the government could allow West Germany to extradite Red Army Faction guerrilla Knut Folkerts, sentenced last year to 20 years in jail for killing a Dutch policeman.

The decision of whether to hand Folkerts, 26, to West Germany will be made by the justice minister.

West Germany asked for Folkerts' extradition to face charges of involvement in several RAF actions, including the kidnapping-murder of industrialist Hannes-Martin Schleyer last year.

Folkerts also is accused of involvement in the murder of Chief Public Prosecutor Siegfried Buback in Karlsruhe last April 7, and of taking part in a raid on a gun shop in Frankfurt.

His lawyers argued that his actions were political and it was impossible for him to obtain a fair trial in West Germany.

Investment of \$1.1 Billion Envisaged Exxon to Purchase Copper Mine From Chile

By Lewis H. Diuguid
WASHINGTON, Jan. 25 (UPI)—The Exxon Corp. committed itself yesterday to the purchase of a copper mine from the Chilean government for \$107 million—easily the largest U.S. investment in Chile since the military coup of 1973—and said that it intends to invest up to \$1.1 billion to expand production.

It is the first major investment abroad by Exxon, the world's largest corporation, that is not in the energy field.

The Carter administration has cut off aid to Chile and criticized it sharply for alleged violations of human rights, but Exxon officials pointed out that the corporation consulted the State Department before making the commitment.

A U.S. official, acknowledging the consultation, said that Exxon was told, "our policy is one of strict neutrality."



BLACK AND WHITE—To the strains of "Porgy and Bess," Yves Saint Laurent showed a lot of black and white outfits on black models at the Paris collections. Above left, the all-black look. Right, the pants suit makes news again. Story, Page 5.

Blast Also Slays Wife; Gunmen Flee Bomb Kills Barcelona Ex-Mayor

BARCELONA, Jan. 25 (Reuters)—The former mayor of Barcelona, Joaquin Violes Saurat, and his wife were killed today when a bomb strapped to his chest by four intruders apparently exploded prematurely.

Three masked men and a woman forced their way at gunpoint into Mr. Violes' apartment in central Barcelona, strapped the bomb to his chest and handed him a note demanding an undisclosed amount of ransom to be paid before he would be told how to remove the bomb.

The bomb blew off the head of the 64-year-old conservative politician and fatally injured his wife, Montserrat, 58.

One of the gunmen fled from the apartment with blood streaming from his face.

The attack came despite reinforced police patrols in Spain's major cities in the face of threats by urban guerrillas to step up their bombing campaign.

Mr. Violes was a member of the Spanish parliament and of the Council of the Basque, appointed by Francisco Franco, and was appointed mayor of Barcelona in 1976 a month before Franco's death. He was in office during a strike of firemen and policemen in 1976 and resigned last year after being criticized by labor organizations. He ran as an independent for parliament last June, seeking a Senate seat, but lost.



Joaquin Violes Saurat

democracy among us," he said. The Spanish national radio reported that it had received a telephone call from a man claiming responsibility for Mr. Violes' murder on behalf of an extreme leftist splinter group called the Spanish Communist party (Internacional).

The man said that the same group was responsible for a bomb attack on a police post outside Barcelona's model prison two days ago.

Barcelona Police Chief Jose

Maria Calleja said that the bomb was similar to one that killed Jose Maria Bullo Marques, chairman of one of Spain's largest chemical firms, in May.

An armed gang strapped an explosive device to Mr. Bullo's chest and demanded a ransom of 500 million pesetas (\$62 million) to be paid within 25 days. The bomb exploded apparently while the industrialist was trying to remove it.

Four extreme leftist students were arrested in July and accused of being responsible for Mr. Bullo's death. They were freed under an amnesty for political prisoners late last year, despite protests from the Interior Ministry.

The police said the four were members of a radical leftist group trying to set up a Catalan separatist guerrilla organization.

Cardinal Meets Carrillo
MADRID, Jan. 25 (AP)—The archbishop of Madrid, Vicente Cardinal Enrique y Tarazona, and the secretary-general of the Spanish Communist party, Santiago Carrillo, have met, apparently for the first time, the Spanish news agency Logos reported today.

The agency did not say when the meeting was held, but it added the Communist leader asked the Cardinal for an interview early last month.

Muriel Humphrey Is Appointed to U.S. Senate Until Election

Set in November
FORT LAUDERDALE, Fla., Jan. 25 (AP)—Muriel Humphrey was appointed today by Minnesota Gov. Rudy Perpich to the Senate seat left vacant by the death of her husband, Hubert. She will serve until a special election is held in November.

Gov. Perpich announced the appointment at a news conference near this city, where Mrs. Humphrey is vacationing.

The governor, who arrived a few hours earlier to meet with Mrs. Humphrey, said that she will have "the overwhelming support and love of Minnesotans."

Mrs. Humphrey, 65, appeared at the news conference with her eldest son, Minnesota State Sen. Hubert Humphrey 3d.

She declined to say whether she would run in the special election for the four years remaining on her late husband's term.

"That's a long time away. I have no idea," she said. Whoever is elected in November would take office immediately.

Advised by Mondale
Mrs. Humphrey said that she had been urged by Vice-President Mondale, a native of Minnesota, to accept the post.

Gov. Perpich and Mrs. Humphrey conferred privately for about two hours before the announcement.

She will leave tomorrow for a brief vacation in the Virgin Islands and then will assume Senate duties in Washington. She said that she expects to complete "some important business Hubert hoped to finish."



Gov. Rudy Perpich with Mrs. Muriel Humphrey yesterday.

She will be the Senate's only woman member.

"I expect to work hard and diligently in a fashion that Minnesota has come to expect. I will work toward ideals which Hubert worked and lived for," Mrs. Humphrey said.

Sen. Humphrey died of cancer Jan. 13. The senator was 68 and had served 23 years in the Senate. He also had been vice-president and the Democratic nominee for

Israel's Return To Cairo Talks Expected Soon

Sadat Reports
Quiet Contacts
Decision Seen
Likely Sunday
By William F. Farrell

CAIRO, Jan. 25 (AP)—President Anwar Sadat of Egypt said today that serious negotiations were going on behind the scenes to resume the Israeli-Egyptian talks.

Mr. Sadat, interviewed after he attended a ceremony honoring Egyptian police, said in answer to a question, "Yes, I can say serious negotiations, but said, 'I am in constant contact with President Carter.'"

Mr. Sadat said that he had sent messages to Mr. Carter through U.S. Secretary of State Cyrus Vance, who visited here last week, and U.S. Ambassador to Egypt Hermann Eilts.

Mr. Sadat met with Mr. Eilts and said that the ambassador had brought Mr. Carter's answer to the messages. "Let us wait some time and then let us reveal what was in these messages," Mr. Sadat said.

Israeli Declaration
Israeli officials in Jerusalem said that Israel had drafted a declaration of principles to serve as a basis for Middle East peace and was awaiting an Egyptian response. The answer was expected to be relayed through U.S. diplomatic channels.

As an indication that the paralysis in the peace process was ending, Mr. Sadat said that U.S. Assistant Secretary of State Alfred Atherton would arrive from Israel "in a few days" to meet with Egyptian Foreign Minister Mohammed Ibrahim Kamel.

"But nothing more," Mr. Sadat added, indicating that the three-way formal negotiations would not resume immediately.

Mr. Sadat said "not yet" when asked if he knew when the talks would resume.

Military and political talks were held in Cairo and Jerusalem earlier this month but the Egyptian President broke off negotiations and recalled his delegation from Israel, Israel then broke off the military talks.

A Quiet Period
Asked if he had decided to call a moratorium on public comment while behind-the-scenes talks were held, Mr. Sadat said, "Well, I have no objections at all to having a quiet period in which all parties concerned re-evaluate their position."

Mr. Sadat also said he had received no response from the United States on his recent requests for U.S. arms.

In a speech to Parliament Saturday, Mr. Sadat said that the U.S. policy of supplying Israel with a vast quantity of arms prompted Israel to drag its feet in negotiations. He said that he had sent a request through Mr. Vance for similar weapons.

JERUSALEM, Jan. 25 (NYT)—Government officials said today that the Israeli Cabinet would probably decide by Sunday to resume the military committee talks with the Egyptians in Cairo.

The military committee talks, which were held in Egypt for several days, are headed by the Israeli Defense Minister Ezer Weizman and his Egyptian counterpart, Gen. Mohammed Abdel-Ghany Ghamasy. They were scheduled to resume last week but were postponed when Egyptian President Anwar Sadat abruptly withdrew the Egyptian delegation from political talks in Jerusalem.

The political talks at the foreign minister level were the more important of the two in the Egyptian-Israeli peace efforts. But since the withdrawal by Mr. Sadat, the military committee has taken on an added importance as a mechanism for the two disputing sides to try to revive their delicate contacts.

On Sunday the Cabinet decided unanimously not to send Mr. Weizman and his aides back to Cairo for the time being because of the deteriorating state of contacts between the two sides.

On Monday, Prime Minister Menachem Begin told the Knesset that the military committee talks would not resume until the Egyptian press ceased a recent round of anti-Jewish commentaries which, he said, inflamed the atmosphere and precluded the prospect of calm negotiations.

Criticism Waning
Government officials said today that the acerbic Egyptian press commentary was waning and that it seemed likely that Mr. Weizman would get approval to resume the talks.

The United States, through Assistant Secretary of State Alfred Atherton and Ambassador Samuel Lewis, has been urging Israel to take part in the military committee talks.

When Mr. Sadat canceled the political talks, President Carter phoned him and persuaded the Egyptian leader not to dismantle the Ghamasy-Weizman committee.

Mr. Weizman is poised for another trip to Cairo. He was scheduled to leave tomorrow for a visit to Washington to discuss U.S. arms sales to Israel, but has postponed it until "after the government reaches a decision as to the continuation of the meetings of the military committee in Cairo," according to a statement issued here.

Some Foreign Ministry officials question whether much can be accomplished in the military committee without concurrent political negotiations on the major issues dividing the Israelis and the Egyptians.

Bilateral Talks
The military committee is a bilateral entity and does not include a U.S. representative. In its previous discussions it has focused on the Israeli-occupied Egyptian Sinai Desert.

During the political committee's brief sessions, U.S. Secretary of State Cyrus Vance was present to offer whatever services were needed in the way of mediation.

Italy Unions Split Over Communist Labor Policy Bid

ROME, Jan. 25 (UPI)—The Italian labor movement split today over a Communist party move to improve its image with big business and increase pressure on the ruling Christian Democrats for cabinet seats in the next government.

The split was triggered by Communist union chief Luciano Lama, who said in a newspaper interview that the labor movement was ready to sacrifice future pay increases in favor of more jobs for Italy's 1.6 million unemployed.

Officials of Mr. Lama's Communist union repudiated his stand and those of Italy's other major labor federations called it impractical and against the interests of the workers.

In his newspaper interview, Mr. Lama said that past labor policy had pushed some Italian industries into financial ruin by forcing excess manpower on them. There also should be a one-year limit on unemployment benefits, he said, and in certain limited instances, troubled companies should be free to eliminate unneeded employees.

Mrs. Humphrey said that she had not discussed with her husband the possibility of her taking his place in the Senate.

"I had no guidance at all from him on this decision," she said. "I hope he is guiding me today."

Several other women have been appointed to fill Senate seats left vacant by their husbands' deaths.

Infantry Moves Reported

New Offensive by Vietnamese Into Cambodia Is Held Likely

By David Lawton

BANGKOK, Jan. 25 (WP).—Intelligence sources here predict a renewed Vietnamese offensive into Cambodia.

"This time the Vietnamese will go in with more grinders and do it right," an observer said.

Another source said that intelligence reports indicate a meeting of Vietnamese mechanized infantry and armor in Tay Ninh, north of the Cambodian border, is being held.

Radio Phnom Penh said that Vietnamese tanks and troops launched new attacks north of the Parrot Beak, two kilometers into Cambodian territory, on Jan. 19, 20 and 21. Observers who monitored the Cambodian front here speculated that the Vietnamese were probing Cambodian defenses in preparation for an offensive.

Settlement Seems Unlikely
The chances of a negotiated settlement apparently have diminished.

"This is not a dispute that can be solved through compromise," a source said.

Senate Gets Foreign Aid Reform Bill

WASHINGTON, Jan. 25 (AP).—A major restructuring of foreign aid programs, including shifting their administration from the Agency for International Development to an independent office outside the State Department, was proposed today by senior members of the Senate Foreign Relations Committee.

The measure, introduced by chairman John Sparkman, D-Ala., and Sen. Clifford Case, D-N.J., the ranking minority member of the committee, was one of the last major pieces of legislation pushed by Sen. Hubert Humphrey, D-Minn., before he died earlier this month.

Introducing the measure, Sen. Sparkman called it "the most far-reaching reform of our foreign aid programs ever developed." Hearings on the bill are scheduled to begin Feb. 27.

The bill would create an international development cooperation administration to administer all U.S. aid programs. The head of the new agency would report directly to the President.

The bill rewrites the Foreign Assistance Act of 1961. Among the proposed changes is eliminating a reference to nations "dominated by the international Communist conspiracy."

The bill also would establish an international development institute as the government's link to public and private voluntary aid projects. The Peace Corps would be transferred to the institute.

Vorster Names New Minister Of Black Affairs

CAPE TOWN, Jan. 25 (UPI).—Prime Minister John Vorster today reshuffled his 16-man Cabinet, giving the Department of Bantu (black) Affairs to his heir-apparent, Connie Mulder, with a mandate to change the portfolio's controversial name.

The word "Bantu" is considered derogatory by most of the country's 18 million blacks and Mr. Vorster's decision was a conciliatory gesture.

Mr. Vorster at the same time promised "numerous improvements" in black education—a policy currently in disarray with many thousands of black students boycotting classes in protest of superior conditions for white pupils.

The Prime Minister made few other changes to his essentially conservative hard-line Cabinet and left the much-criticized Police and Justice Minister James Kruger in his job despite his handling of the aftermath of the prison death of black nationalist Steve Biko.

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mise or negotiation," the Cambodian broadcast declared.

Vietnamese broadcasts revealed that Gen. Vo Nguyen Giap had recently visited units along the border. Observers here saw the Vietnamese strategist's inspection as another sign of an impending offensive.

"Giap is a methodical planner," a source said.

Another observer said that Gen. Giap's presence in the south, "after the fighting turned disadvantageous to the Vietnamese," clearly presaged military rather than diplomatic initiatives.

Witnesses' Stories

The extent of recent Vietnamese reverses in combat with the Cambodians was indicated in interviews with witnesses who escaped recently from the Bordeaux refugee camp at Laem Sing.

Buynh Van Loc, a 40-year-old mechanic, was one of 30 persons who escaped in a boat from Ha Tien, a Vietnamese fishing port near the Cambodian border. He said that in the first week of this month troops of the Vietnamese 307th Division crossed the Cambodian frontier but were outflanked. Cambodian troops came sweeping past them, Mr. Loc said, to seize positions on a hill at a place called Da Dung or Thach Dong, about three kilometers outside Ha Tien, on the Vietnamese side of the border.

"Every day I saw trucks carrying the bodies of soldiers, and carrying wounded soldiers to a hospital near the market," Mr. Loc said. He said that the Cambodian forces regularly shelled Ha Tien and forward Vietnamese positions.

This account of the Vietnamese being outflanked near Ha Tien was confirmed by Souk Ean, a 31-year-old Cambodian teacher who fled his own country in 1975 and lived on the Vietnamese side of the border until his escape to Thailand this month.

"The Khmer Rouge encircled the Vietnamese near Thach Dong. It was very hard. There were many dead and many wounded—more than I saw during the war in Cambodia," Souk Ean said.

Residents of the area said that the hill outside Ha Tien was seized by the Cambodians used to be a stronghold of Vietnamese guerrillas.

Souk Ean said that the hill, only about 100 meters high, was heavily fortified with tunnels and trenches that had been used by the Vietnamese.

Nguyen Van Bao, 40, a former officer in the South Vietnamese Army, said that the Vietnamese forces engaged in Cambodia today were not as tough as the ones he fought in the past.

"Every year they draft new men, so the army changes," he said. "The conscripts from the north are only 17 or 18 years old. They haven't fought before."

In Bangkok, an intelligence source added that the Vietnamese had been "overambitious" in their use of armor, had suffered "some serious logistic snafus" and had been "overconfident" in anticipating the Cambodian opposition.

But every source here agreed that the balance of power still was with the Vietnamese, and that a new offensive across the Parrot's Beak could overwhelm Cambodian defenses.

Cambodian Drive
BANGKOK, Jan. 25 (Reuters).—Vietnam today reported significant Cambodian penetration of its territory along the southern border.

A Vietnamese news agency report said that up to two days ago Cambodian troops occupied several places in Vietnam including the small town of Tra Tien, eight kilometers from the border and 15 kilometers west of Ha Tien.

Analysts believe that this is the deepest Cambodian penetration of Vietnam in more than two weeks of attacks on the southern frontier.

The Vietnamese report confirmed that the fighting now was largely confined to an 80-kilometer stretch of border from Ha Tien to An Giang province, territory jutting into Cambodia south of Phnom Penh.

But the agency, monitored in Hong Kong, also said that small groups of Cambodian soldiers recently had infiltrated border areas farther north, including some in Tay Ninh and Song Be provinces, northwest and north of Ho Chi Minh City.

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FRIENDLY HAND—President Carter's son Chip with his wife, Caron, being greeted at Lodi Airport by Mrs. Aliza Begim, wife of the Israeli Prime Minister. Chip Carter arrived yesterday at the head of a 425-person "Friendship Force" on a private visit of Israel. The trip is part of a program endorsed by the President and Mrs. Carter.

Execution-Threat Deadline Poses

French Probe Kidnapping Claim by Leftists

PARIS, Jan. 25 (UPI).—Police said today they are investigating a claim that a leftist extremist group was responsible for the abduction of Belgian industrialist Baron Edouard-Jean Empain.

The group, known as the "Armée Nucleaire" (Nuclear Army), is a small, secretive organization that has been active in Belgium and France. It is alleged to have been involved in several kidnappings and other acts of violence.

The deadline for the release of the baron was set by the "Armée Nucleaire" at 11:00 a.m. today. The group threatened to execute the baron if his release was not guaranteed by noon.

The baron, 46, was abducted from his home in Brussels on Jan. 23. He was taken to a location in the French town of Metz, where he is being held. The group demands a ransom of 10 million francs for his release.

The French government has offered a 500,000 franc ransom for the baron's release. However, the group has refused this offer, stating that it is not interested in money but in the baron's freedom.

The group also threatened to execute the baron if his release was not guaranteed by noon. The French government has agreed to this demand, but the group has not yet released the baron.

The baron's abduction has caused a major crisis in Belgium. The government is now working to negotiate the baron's release. The group has threatened to execute the baron if his release is not guaranteed by noon.

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French Probe Kidnapping Claim by Leftists

PARIS, Jan. 25 (UPI).—Police said today they are investigating a claim that a leftist extremist group was responsible for the abduction of Belgian industrialist Baron Edouard-Jean Empain.

The group, known as the "Armée Nucleaire" (Nuclear Army), is a small, secretive organization that has been active in Belgium and France. It is alleged to have been involved in several kidnappings and other acts of violence.

The deadline for the release of the baron was set by the "Armée Nucleaire" at 11:00 a.m. today. The group threatened to execute the baron if his release was not guaranteed by noon.

The baron, 46, was abducted from his home in Brussels on Jan. 23. He was taken to a location in the French town of Metz, where he is being held. The group demands a ransom of 10 million francs for his release.

The French government has offered a 500,000 franc ransom for the baron's release. However, the group has refused this offer, stating that it is not interested in money but in the baron's freedom.

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Lebanese Christian Leader Says Palestinians Get Big Arms Cargo

BEIRUT, Jan. 25 (UPI).—Lebanese Christian leaders said today that arms have been poured into the ancient Mediterranean port of Tyre for the Palestinian guerrillas.

Camille Chamoun, a former president of Lebanon who heads the rightist Christian political coalition known as "the Lebanese Front," said that he possessed information that ships allegedly have unloaded weapons at Tyre this week.

Mr. Chamoun met today with President Elias Sarkis and was reported to have raised the matter with him.

Tyre, about 50 miles south of Beirut and 12 miles north of Israel, has been under Palestinian control since the Lebanese civil war, which ended 14 months ago with an uneasy truce followed by 30,000 Arab League troops.

Troops Excluded
The troops are excluded from Tyre because Israel refused to allow the Arab forces to enter the 15 miles to its border. The truce force is in control of the port of Sidon, several miles north of Tyre.

Pierre Gemayel, leader of the Phalangist party, Lebanon's largest Christian group, said that he, too, knew of the weapons reportedly unloaded at Tyre. "This is a very serious matter," he said, adding that Christian militiamen were being forced to give up their heavy weapons when the Palestinians were being re-supplied.

The Phalangists feared most of the Christians fled that battle the Palestinians and their Lebanese Muslim and leftist allies during the two-year civil war. Clashes still continue in the Lebanese border area near Israel.

These, Palestinian guerrillas, backed by Lebanese leftists, and the Christians, reportedly supported by Israel, fought today to control the village of Hlat eight miles north of the Israeli border. Witnesses said that Hlat was in Palestinian hands after a Christian attempt to capture it.

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Dutch Reject Appeal by Agee, Confirm Order of His Expulsion

THE HAGUE, Jan. 25 (AP).—The Dutch government today confirmed an expulsion order against Philip Agee but said that the former CIA agent will be given a reasonable period of time to make arrangements to leave the Netherlands.

The move followed rejection of an appeal against the order by the 42-year-old American, registered by the Dutch as a threat to public order and national security.

Announcing the decision, the Justice Ministry said in a communiqué that Elberta Haas, state secretary for justice, ruled that it was not in the interests of the Netherlands for Mr. Agee to remain in the country.

The reasons behind his expulsion have not been specified by the government and the communiqué did not elaborate. The decision to expel Mr. Agee was in line with recommendations made by a special Aliens' Departments Advisory Commission which heard his appeal. The communiqué said it added that there were no humanitarian grounds to prevent the former agent from being expelled.

Mr. Agee himself told the Advisory Commission he plans to return eventually to his country of origin, the communiqué said. Within the last eight months, Mr. Agee also has been ordered out of Britain and France for security reasons and West Germany refused him entry.

Computer Was First to Spot Cosmos-954's Sinking Feelin

WASHINGTON, Jan. 25 (WP).—With 4,546 man-made pieces of machinery and debris whirling through space in every direction, it was probably inevitable that one would go astray and become what Zbigniew Brzezinski called yesterday a little "space craft difficulty"—an unguided craft headed back to earth.

It probably was just as inevitable that in the United States the problem was first spotted by computer.

That discovery was made in early December deep inside Cheyenne Mountain in the Colorado Rocky Mountains, where the North American Air Defense Command maintains a computerized watch on every item floating in space.

Cosmos-954, one of 930 working satellites now in space, began losing speed and altitude faster than expected. The change triggered a warning in the NORAD computer and the military alerted the Central Intelligence Agency and other intelligence agencies.

Rarely when NORAD learned something was wrong is a classified intelligence secret, military officials maintained yesterday, although a group of school ham radio operators in Bur who were tracking the So satellite's radio emissions apparently were in on the secret almost from the start.

Early Warning
"It's been quite well known among ham radio operators some time," Leonard David, 26, of the Forum for the Advancement of Students in Science Technology, said yesterday. "I sold his Washington-based group a telegram from the So pean ham operators about the satellite problems last week before the United States formally notified members of the North Atlantic Treaty Organization Japan, Australia and New Zealand."

In military jargon, Cosmos was "de-orbiting," spinning and closer to earth with a potentially lethal nuclear cargo.

The problem, military officials said, was that despite the computer's ability to forecast a possible re-entry route for the satellite, no one could tell where it would go once it hit the relative density of the earth's atmosphere.

The officials compared the situation to that of a stone thrown into a calm lake.

Big German Engine That Won't

Chancellor Schmidt of West Germany has now confirmed a reversal of policy that bodes ill for the stability of the West. Hints have come from other West German officials before. But now, in his state of the union address to the Bundestag, Schmidt himself has openly rejected the argument that the West German economic locomotive should pull the weaker economies of Europe out of their worst recession since the 1930s. He indicated that no further stimulus to internal demand was feasible and that West Germany's dependence on export markets for the sale of almost 30 per cent of its gross national product made a higher growth rate impossible during a period of lagging international trade.

The implications are deeply disturbing. Until now, Bonn has accepted the thesis, advanced by Washington and the 24-nation Organization for Economic Cooperation and Development, that the United States, West Germany and Japan, with 60 per cent of the non-Communist industrial world's production, have a special responsibility to pull the rest of the world into faster recovery. Schmidt committed himself at the seven-nation economic summit in London last May to take added measures, if necessary, to meet Bonn's own growth target of 5 per cent. Tax cuts were adopted—but too late, and the West German economy grew only 2.4 per cent last year.

Now there is a change. Official projections of the 1978 growth rate, due soon, are expected to be about 3 1/2 per cent—not much higher than the 3 1/4 per cent the OECD forecast last month, a forecast the West Germans earlier protested as too low, but now argue is adequate.

Has Bonn decided to "go it alone"? It is hard to believe. Unemployment in West Germany is higher than it has been in decades and is rising, along with the discon-

tent of Schmidt's trade union followers. Schmidt knows that West Germany cannot prosper while the rest of West Europe faces a 2-per-cent growth rate this year and increases in already severe unemployment.

There was an intriguing phrase in Schmidt's address that warrants exploration. West Germany, he said, could not pull the world out of recession, adding, "Together with others this can be done but not on our own."

Schmidt's allies must now ask what this means. Clearly, he does not want faster expansion in the United States; Bonn has complained that U.S. growth and oil imports have brought a \$30-billion trade deficit and a decline of the dollar that he wants halted. Japan has made new—presumably firmer—commitments to a faster growth rate. Britain, with North Sea oil money coming in, has taken initial expansionary moves. But France, Italy and most of the smaller European countries are running oil trade deficits and have been awaiting recovery of their West German market. Adequate medium-term financing of these deficits might permit a joint move by all the industrial countries to stimulate growth simultaneously. Would that provide enough advance assurance of an increase in West German exports for Bonn to move?

The seven-nation economic summit, meeting twice a year, was supposed to coordinate this kind of economic strategy. But to avoid pressure, Schmidt has insisted on postponing the next meeting of the seven until July, 14 months after the last. That is too long to wait. A new dialogue must be opened and only President Carter can open it. Schmidt's European allies have tried and failed. The first move might be to send a personal emissary to Bonn who can explore Schmidt's intriguing hint and get West Germany's steam up again.

THE NEW YORK TIMES.

The Wilmington 10

The decision of North Carolina Gov. James B. Hunt Jr. to reduce the sentences of the Wilmington 10 strikes us as an unsatisfactory solution. Compelling arguments existed for a more generous approach, based on the considerable amount of evidence that, as the Justice Department has noted, "many irregularities" cropped up in the prosecution and trials of the group. In choosing to reduce the sentences of nine black men (one of the group, a white woman, has been pardoned), Gov. Hunt conceded that the original sentences for arson and conspiracy were excessive. That is something, at least. But even here, questions are raised. The sentence of Ben Chavis, an official in the United Church of Christ's Commission for Racial Justice, was reduced from one of 25 to 20 years to one of 17 to 21 years. Given such punishment for a first offense by someone with no violent crimes on his record, it can be argued that Gov. Hunt only chipped away at the excess rather than removed it.

The governor, who found himself at the center of a storm he didn't create, has expressed the hope that his decision would put things to rest. That is unlikely to happen, at least so far as public discussion is concerned. Few of the doubts that persisted long before Gov. Hunt involved himself appear to have been resolved. Questions of witness reliability—recantations have been made by prosecution witnesses, and now there is a recantation of a recantation—and such irregularities as a witness receiving gifts from the prosecutor were not explained

away by the governor's assertion that "there was a fair trial." Gov. Hunt has alluded to "outside" criticism of his state's system of justice, but it has been the inside criticism that has often been the sharpest and most telling. For although the case has now become something of an international issue, questions about its fairness were originally raised by the reporting and commentary of several North Carolina newspapers.

North Carolina would have been better served if Gov. Hunt had dealt forthrightly with the claims that the trial and prosecution were unfair. But he didn't. Because he chose to avoid a substantive discussion, his decision to reduce the sentences—rather than pardon the group or commute the sentences to time already served—is likely to introduce a new question: Why wasn't the issue of possible unfairness dealt with fully in the governor's exchange with the public? If it had been, little of the outcry following the speech—not merely from black leaders within North Carolina but also from several members of Congress, as well as the leadership of the United Church of Christ—would have much validity. As it is, valid claims persist that this group was railroaded.

It may well turn out that by avoiding the opportunity to address those claims, the governor has fanned the fire, not doused it. At the least, a commutation of the sentences to time already served would have allowed the doubts to be discussed in a much less bitter atmosphere.

THE WASHINGTON POST.

International Opinion

A Mideast Concession

President Sadat has risked much by his overtures to Israel. It could be that if he is left at the end with nothing to show he will be toppled and replaced by more intractable leaders in Egypt.

The Israelis, who have suffered so much, cannot possibly want another war. Couldn't they, then, offer even the slightest concession to Egypt—for a start, by accepting that the Palestinians have rights too?

—From the Sunday Express (London).

The Neutron Warhead

Russia's great superiority over NATO in conventional forces, in addition to being an ever-growing military threat, is also designed for political blackmail. A brazen example is the personal letter that Mr. Brezhnev has sent to the heads of NATO governments warning them against the neutron warhead, which America has designed specifically as a tactical nuclear weapon for

European defense. Deployment of this weapon, he says, would endanger "détente" and place a strain on East-West relations.

The neutron weapon, which kills by greatly enhanced and temporary radiation, but has minimal heat and blast effects, offers a solution to one of Europe's greatest defense problems: How to stop Russian tank armies advancing through West Germany without causing massive collateral civilian casualties and damage. . . . The people killed would be Russian troops in steel vehicles, which are particularly vulnerable to the radiation, whereas civilians in surviving brick and mortar structures, which are resistant to it, would be protected. . . .

It is a pity that NATO governments withheld news of Mr. Brezhnev's threat for three weeks until the German newspaper Die Welt got hold of it. They should advise him to cut down his tank armies and scrap his new multi-headed mobile rocket targeted on Europe with a "dirty" charge 2,000 times as big as the neutron bomb.

—From the Daily Telegraph (London).

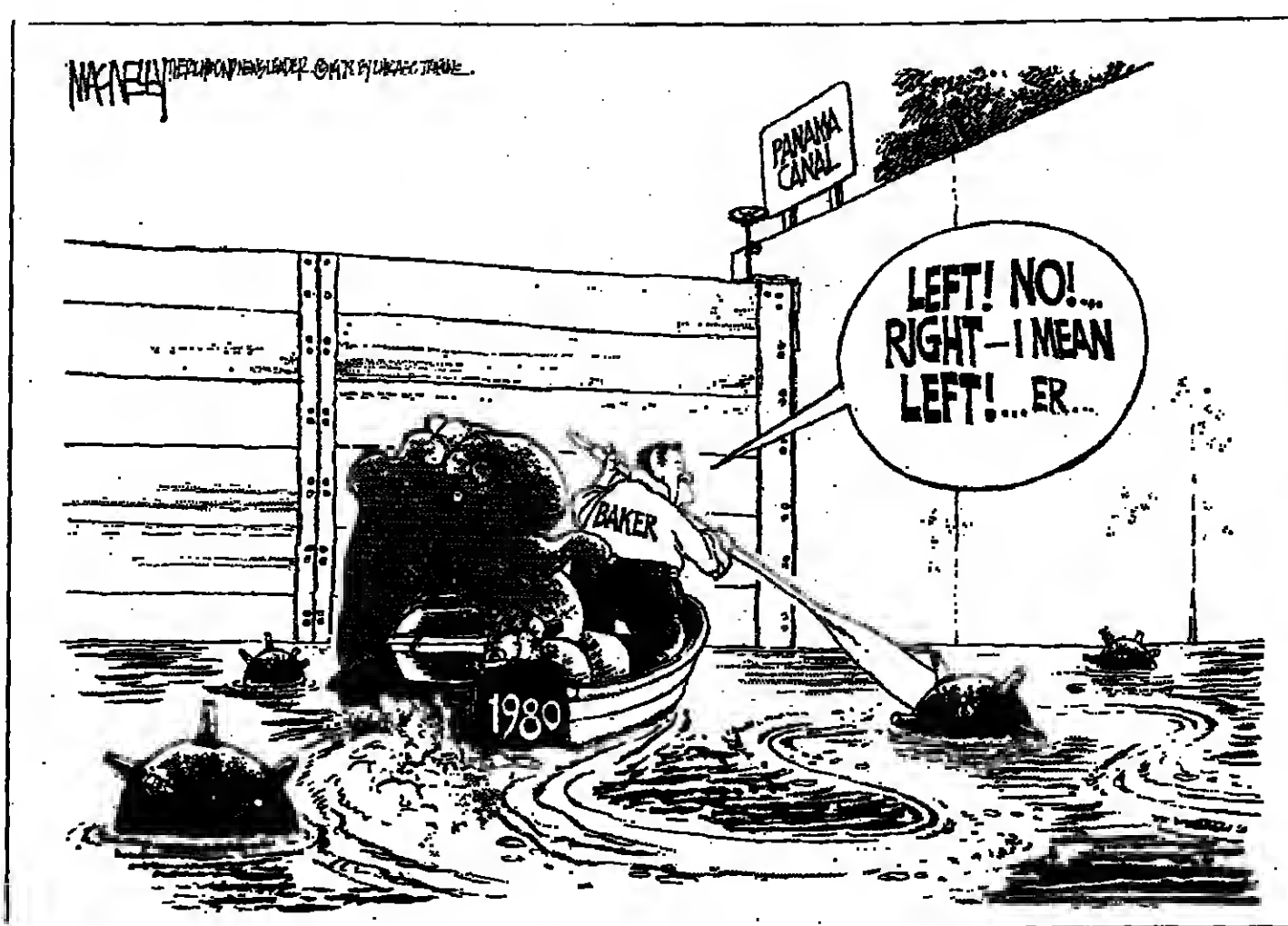
In the International Edition

Seventy-Five Years Ago

January 25, 1903
KINGSTON, Jamaica. Planters are urging the government to negotiate a new reciprocity treaty with the United States owing to the prospects of the adoption of the Cuban treaty. The planters agree that without a treaty it will be impossible to compete against Cuba in the U.S. market. The Canadian commissioner, who is now here, advocates a subsidy of a fast line of steamers between the colony and the Dominion, in order to build up a sturdy fruit trade.

Fifty Years Ago

January 26, 1928
NEUCHÂTEL, Switzerland.—Man has been saved another annoying piece of labor. He will no longer have to wind the clock. An ingenious Swiss has, according to the Swiss journal L'Horlogerie, invented a clock which runs "perpetually." It gains its energy from the variations in temperature, and all that its owner must do is set it on the shelf and it will run "forever." The perpetual-temperature clock has already been placed upon market in Switzerland.



Tanzania: 'Lilies That Fester...'

By Jonathan Power

LONDON.—Far be it for me to

assert that what everybody says must be true. Everybody is, of course, as likely to be wrong as right. In the general opinion, everybody has been wrong, and it has taken in most instances such a weary while to find out how wrong that the authority is proved to be fallible. Charles Dickens's words were small comfort as I read the recently published Amnesty International report on Tanzania. Could it be that the country I love (where I spent my critical age of early 20s), whose leadership is often said to be the wisest and most creative in Africa, is the same country as the one causing "great anxiety" to Amnesty?

Neither was I comforted by the inconsistencies and inadequacies I found elsewhere in Amnesty reports on other countries. In West Germany, Amnesty appeared to have argued in early 1977 for greater in-jail freedom for Rudi Dutschke, a leader of the Red Army Faction, to meet together, sleep together, and receive visitors, or as we know now to plot murder. In the United States, at the other extreme, Amnesty seemed cautious to plumb the depths of decades of false imprisonment of blacks for political acts dressed up as criminal offenses.

Near the Truth

The truth is that on Tanzania Amnesty is near the truth. I have talked to great admirers of Tanzania like Bishop Trevor Huddleston, firm friend and counselor of President Julius Nyerere. Yes, he said, Amnesty's information coincided with his own; I have talked to the present Tanzanian ambassador to the Court of St. James who said he had nothing to add to Amnesty's observations; and last I've talked to myself who has heard these reports tickling out for years and has refused to face up to them. Here then are the unembellished facts as near as I can get to them:

In 1972, Sheikh Abdel Karume, president of Zanzibar, was assassinated. Karume, a tyrant of no mean proportions, ruled Zanzibar as an independent fiefdom within the republic of Tanzania. This independence had been the price of unity since Nyerere in a masterly stroke persuaded Karume in 1964 that he'd be better off ruling Zanzibar as part of Tanzania than as an offshore colony.

After the murder 37 people were found guilty of treason and nearly half of them were sentenced to death. They appealed. The appeal was heard by the Supreme Council of the Afro-Shirazi party, Zanzibar's only legalized political party. The attorney general, Wolfgang Dourado, acting as both prosecutor and defense counsel, requested that the death penalties be commuted.

The Appeal Court commuted the penalty for 17 but confirmed it for another seven. That was early last year. The final appeal to the new president, about Juma, who is also the vice-president of Tanzania, is still pending.

Fate of 13

Amnesty is not just protesting the bizarre court procedures of Zanzibar nor the torture that was an ancillary to the trials. It is concerned with the fate of 13 others in the case who are detained without trial on the mainland (although tried in absentia on Zanzibar).

The best known of these is the Zanzibari former Tanzanian minister of economic affairs, Abdul Rahman Mohammed Babu. Nyerere argues, privately that they are being kept in prison on the mainland to save their necks from Zanzibari justice. For a while this made some sense. But six years after the murder of Karume it makes less and less. Straggled letters and other sources of evidence "considered reliable" by Amnesty tell a sad story—"poor diet, lack of qualified medical treatment, restrictions of relatives' visits and all correspondence." Moreover, in the case of Babu, and another prisoner, Ali Mafudi, they are in solitary confinement. This is not "protective custody."

The Babu imprisonment is not an isolated case. The number of detainees on mainland Tanzania held in indefinite detention without trial is estimated to be between 1,000 and 1,500.

Included in this number are 11 members of the South-West African People's Organization (SWAPO). In 1976, the Zambian authorities, concerned with feeding within the leadership of this guerrilla group, arrested one faction led by Andreas Shipanga.

The Zambian Appeal Court then issued a writ of habeas corpus in Shipanga's favor. In the meanwhile, however, the Zambian government had transferred the 11 to Tanzania, apparently to avoid being compelled by the court to release them. There they now languish, in a country where there is no provision for habeas corpus for people held under the Preventive Detention Act. Ironically the government of Zanzibar, seeking under instructions from the Zambian Appeal

Court, requested their return. Tanzania refused to comply. Nyerere himself is well aware of his own country's failings. In conversation, as I have found him, he can be disarmingly frank about them. But that is not enough. If Tanzania is going to continue to be the leader of those determined to bring about the fall of oppression in white South Africa, Nyerere might recall Shakespeare's dictum: "Lilies that fester smell far worse than weeds."

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Those Soviet Visitors to U.S.

By James Reston

WASHINGTON.—Ten members of the Supreme Soviet, which is not really "supreme" in Moscow but still influential, have been in Washington these last few days

expressing their regrets about the decline in U.S.-Soviet relations, and asking for explanations.

This has been an interesting and maybe even significant event. The Soviet delegation, headed by Boris N. Ponomarev, has talked with the leaders of the House and Senate, and with reporters on the side. They have been unfailingly courteous and even amiable but somehow they were not able to agree with officials or congressmen here or even to discuss objectively why Washington and Moscow were misunderstanding one another.

One reason, I believe, is that there is a widening age-gap between the leadership of the Soviet Union and the United States. When these visits of the Supreme Soviet started here in Washington in 1974, Moscow sent almost precisely the same delegation, headed by the same Ponomarev. When the U.S. Congress sent a delegation back in 1975 to Moscow, it was headed by Hubert Humphrey, then a Senator from Minnesota, and a big-power deal with the United States. Ever since their revolution in 1917, they have been arguing against the status quo, for the destruction of the old imperial empire, and for the liberation of new nations. But now their time has changed.

The Soviets are now arguing for the status quo, particularly in Eastern Europe. It is the United States that is now insisting that liberty is the issue, that is arguing for human rights in the last of the imperial dominions of Communist Eastern Europe.

Africa and in Angola along the oil pipelines from the Middle East to industrial Europe.

When the members of the Supreme Soviet asked what they called the "basic question" of control of nuclear weapons—Brezhnev told them quite frankly that they had to choose. They could not get selective agreements with the United States. Either they would work with us for a new world order, limit strategic weapons and arms shipments, or continue the arms race and the strategic game, which was in nobody's interest.

No progress was really made in these talks between the members of the Supreme Soviet and U.S. officials or the press, for they are all arguing from two different philosophies and two quite different views of history. The Soviets are really invoking a big-power deal with the United States. Ever since their revolution in 1917, they have been arguing against the status quo, for the destruction of the old imperial empire, and for the liberation of new nations. But now their time has changed.

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and challenging Moscow to stop sending arms into Ethiopia, Angola, and the other strategic points of Africa.

Officials here have been saying to visiting members of the Supreme Soviet that there is a larger objective for the United States and the Soviet Union, looking to the end of the 20th century. Namely, to work together, not only for the control of nuclear weapons, and the sale of conventional arms, but for peace in the Middle East and in Africa. But the conversation here made little progress toward this end. Our visitors give us the same old arguments, admittedly in a gentler way, but they produce not a single new idea for practical compromise.

So they will now go on to the State Center in Houston, and to Disneyland, but at no time since they've been here have they made any reasonable breakthrough, or produced any sense of compromise that would lead to the two decisive nuclear powers into a new world order.

There is something rather sad about all this. The hope of these talks between the Supreme Soviet and the leaders of the Congress and the executive in Washington was that they might be able to look beyond the temporary struggles and find some ground for compromise, but they seem merely to have had a junket and repeated the same old propaganda.

These are my views, and I offer them not only as a sincere and devoted friend of Israel, but as your good friend as well. I was deeply impressed with you during our meeting in Washington. I believe you are the right man, in the right place, at the right time. Yet, it is time for all parties to show tolerance, spirit of give-and-take, and compromise while the time is still open. We cannot let this opportunity for peace escape us. We must seize the moment or we may lose it forever.

With warm personal regard and deep admiration.

—HUBERT HUMPHREY

Letters

Arrogance in Power

Anthony Lewis's column on Jerry Brown (Arrogance in Power, IRT, Jan. 20), entirely changes my view of the governor. As an Easterner now living in Europe, I had no idea Gov. Brown had joined the anti-intellectual chorus so often heard at all levels of American society.

Certainly an anti-intellectual stance is cynically useful in a state so polarized between right and left as that is one ideological position common to both American radicals and conservatives; but I expected more of Jerry Brown.

I thought he was capable of appealing to Americans' generous sentiments and not to their ingrained prejudices. I thought that Jerry Brown, as an intellectual and reformer, would recognize the importance of scholars and scientists trained to examine and criticize our society, history and technology. I should have known better.

Demagoguery is all too often a facile alternative to a real politics that would seek to get at the core of our problems through an honest and disciplined inquiry into their causes. It is only after such an objective examination, a process that necessarily uses our intellectual tools, that solutions to our problems can be found.

EDWARD G. BERENSON.

Paris.

The Blood Boils

My trade unionist blood often boils when British trade unions are unjustly accused of parochialism and insularity in their attitudes towards the plight of their less fortunate counterparts in other countries. My indignation is tempered, however, when these charges prove to be justified. In his article (IRT, Jan. 11),

David Shipper cites several examples of the punitive use of job dismissal in the Soviet Union. In the Soviet Union, as in the United States, there is a tradition of punitive dismissal for the victim from his or her trade union.

I recently visited the Soviet Union, and spoke with a number of Jewish victims of this arbitrary treatment, whose sole "crime" had been to make perfectly lawful application for permission to emigrate to Israel to reunite their separated families; a basic human right affirmed by the Soviet Union in its signature to the 1975 Helsinki Accords. I learned from them of many more cases of dismissal from work shortly subsequent to such application.

Upon my return I attended a meeting of the British-Soviet Friendship Society, and was charged by my membership to ask attending representatives of the Soviet trade unions what action is taken by them to protect the job rights of such unfortunate. It was frankly admitted that they do not concern themselves with such matters.

Humphrey

Message

To Israel

WASHINGTON.—The following is the text of a letter from the late Sen. Hubert H. Humphrey to Israeli Prime Minister Menachem Begin, dated Jan. 11.

Dear Mr. Prime Minister: I want to take this opportunity to compliment you on your courage and leadership in the current peace initiatives in the Middle East. I also want to pay tribute to the people of Israel who have opened up their arms to President Anwar Sadat in a magnificent gesture of peace and honor.

However, my friend, we cannot let this cup pass from our lips without doing what needs to be done. As you have said on numerous occasions in the past everything is negotiable. As you know, nobody appreciates the concerns Israel has over her security better than I. A reasonable man like President Sadat must also understand security requirements as being a fundamental element of any nation's sovereignty. Above all, our government understands your security requirements.

This brings me to the issue of the existing Israeli settlement in the Sinai. I realize these settlements are important within the context of Israel's present security needs. However, there must be some way to work out a program for governing these settlements during a transition period to eventual full Egyptian sovereignty much as there should be a palatable and workable solution for the West Bank. In the case of the latter, maybe what there needs to be is a formula in which we give the Palestinians some time to work out their own difficulties. It is absolutely clear that we are not accepting an independent and potentially antagonistic Palestinian state, nor will any of Israel's neighbors. There is an obvious danger in the ultimate political objectives of such an entity. Those who want to see these difficult issues resolved recognize that it is going to take time and "give" on the part of Israel beyond existing stated positions.

I write this letter only after giving these matters considerable thought, and I also believe that key members of the American Jewish Community would share my views on these issues. UN Resolution 243 should continue to be the guiding set of principles for a comprehensive Middle East peace. There is no reason at all why we should not fulfill the obligations of Resolution 242, particularly since those obligations do not affect Israel's security requirements.

These are my views, and I offer them not only as a sincere and devoted friend of Israel, but as your good friend as well. I was deeply impressed with you during our meeting in Washington. I believe you are the right man, in the right place, at the right time. Yet, it is time for all parties to show tolerance, spirit of give-and-take, and compromise while the time is still open. We cannot let this opportunity for peace escape us. We must seize the moment or we may lose it forever.

With warm personal regard and deep admiration.

—HUBERT HUMPHREY

Leeds, England.

Such unashamed abrogation of duty towards their members would not and could not be practiced by British trade union leaders. They are justly termed pariahs by dint of their failure to speak out against it, as all the British Psychiatric Association against the penal use of Soviet mental hospitals.

IAN BLACKSTONE.

Leeds, England.

Reporting on CIA

Poor John Crawford (RT Jan. 3) has been trying to outrage the U.S. people over the doings of the CIA for at least a year now. Alas, all the man can find is that the CIA is doing an ugly job well. Would someone please give him a promotion so he can move on to other things and we, the readers, can be spared his altogether hapless efforts to make the U.S. people dislike this unpopular but all too necessary organ of government? He is beginning to come up a bit pitiful.

NORWOOD SMALLE.

Kuwait.



TRUNK CALL—At the San Diego Children's Zoo, an 8-month-old Ceylonese elephant peers out of cage.

Common Criminals, Ruler Claims

Ghana Regime Foes Step Up Drive on Political Detainees

By David B. Ottaway

ACCRA, Ghana (UPI)—The fate of 450 detainees being held at Newsum Prison 24 kilometers north of here is becoming a major political issue between the military government and the Ghana Bar Association, which is leading the civilian opposition to the regime. Gen. Ignatius Acheampong, head of the ruling Supreme Military Council, insists there are no "political detainees" anywhere in the country and that inmates of Newsum, a medium security prison, are all "criminal detainees." But the Bar Association asserts that they are all political detainees and that there are many other such prisoners elsewhere in Ghana.

The question of human rights and civil liberties has become an increasingly burning one as Ghana approaches a March 30 referendum on whether the nation is to return to civilian party politics or accept a joint military-civilian "union government."

Opponents of Gen. Acheampong's proposal for such a government complain they are having a great deal of trouble arguing their case and that the largely state-controlled news media are heavily slanted against them. In addition, they are upset by the rough tactics being used by the military government's supporters to silence them, apparently with impunity.

A meeting here of professional persons in the opposition last Oct. 12 was broken up by thugs who invaded the Accra Community Center while police stood by and took no action.

Gen. Acheampong strongly condemned the incident and has since said repeatedly that his government will uphold the rights of dissenters to speak out openly and freely against the union government plan. But his opponents remain skeptical, pointing to what they claim is a large number of persons imprisoned solely for their political views.

The Bar Association has set up a Human Rights Committee to defend such detainees and on Dec. 13 obtained a writ of habeas corpus from the Accra High Court for the release of 175 of the Newsum prisoners.

Order Ignored

The military government had let 19 of the prisoners go before it decided to ignore the court order and then rearrested those who had been released.

The Bar Association maintains that the 175 Ghanaians covered by the writ were all taken into custody without any court order or executive decree. Some have been in jail since shortly after



Gen. Ignatius Acheampong

Gen. Acheampong led a coup in January, 1977, against the last civilian government, under Kwame Nkrumah.

"The bitterest complaint we have had from them is that they were just rounded up and not told what they had done wrong," said association president W.A.U. Aduma-Bossman at a press conference on Jan. 11 here.

Asked at a press conference two days later about the possibility of a general amnesty for all "political" prisoners, Gen. Acheampong replied that his government's desire for a national reconciliation of Ghanaians of all persuasions did not mean support for "anarchy."

Assurance Given
After first stating each case would be judged on the individual's merits, he added, "There are no political detainees. This I can assure you... either they have been convicted and jailed for offenses, or whatever, but there are no political detainees."

He said the government had received a number of petitions asking that certain "hardened criminals" be put behind bars to protect the public, and that it had, in fact, put many away.

Whether the 450 Newsum Prison inmates are "political" or "criminal" detainees, Ghana is scarcely what one would call a "police state" under Gen. Acheampong's largely benevolent rule. Even Bar Association president Aduma-Bossman admits that "there has been considerable progress in understanding the right to dissent since the end of the 'Second Republic'—a reference to the Busia government."

It also appears that there are relatively few lawyers, doctors, teachers or students among those who have been taken into custody, although it is these groups which are the sharpest critics of the Acheampong government. Mr. Aduma-Bossman named one or two professional persons and described the vast majority of the Newsum prisoners as "people in very ordinary situations, like shopkeepers."

The real problem for Gen. Acheampong's civilian opponents appears to be primarily the lack of equal opportunity to make their views known to the public. The country's two largest daily newspapers, plus the national radio and television, are all state controlled and give little time to airing opposition opinion.

Britain Backs Its A-Industry

LONDON, Jan. 25 (Reuters)—Britain will continue to develop British-designed nuclear reactors, but will leave open the option of turning to U.S. reactor types in the early 1980s, Energy Minister Tony Benn told Parliament today.

The announcement quieted some of the debate over Britain's nuclear future by saying that the government will not force the order of two of the controversial British advanced gas-cooled reactors.

The decision will bring the nuclear industry here its first orders since 1970 and provide much-needed work for power plant manufacturers.

FASHION IN PARIS

'Porgy and Bess' By Saint Laurent

By Eugenia Sheppard

PARIS, Jan. 25.—Fashion entered a new phase with Yves Saint Laurent's new black-on-black collection, shown to Germaine "Porgy and Bess" Call in the New Orleans look, the island native look or the Harlem look, and you get the picture.

Black models have been stealing the fashion shows for the last few years, but Saint Laurent is the first elegant couturier to pay a tribute to the chic of this contemporary black girl in clothes that women all over the world will want to wear.

Actually, the collection is a delightful fashion visualization of "Porgy and Bess," which is now playing in Paris. The clothes are totally black, totally white or black and white with an occasional dash of red.

Among the details of the Bess look are the cocky straw bowlers, the cropped jackets, the off-the-shoulder, the exaggerated high-heeled shoes. The giant white-dotted black chiffon prints and the black stockings are worn all through the collection, even to a short white chiffon evening dress with an uneven hemline in jagged points.

Beautiful Wife
Though he gives her less time and much less chic, Saint Laurent hasn't totally forgotten the beautiful wife of the rich planter owner who is hinted at in Germaine's song, "Summer Time." She appears in ruffled, edged, flow-printed crepes, sometimes worn under ruffled-edge coats or jackets, looking as if she had just stepped out of bed on a warm morning.

For formal evenings he dresses her in his black of stiff black or white silk ottoman skirts with demure blouses and one of his new long, skinny scarf, shawls. This outfit can't hold a candle to the excitement that the Bess look provides.

Saint Laurent's new restaurant suits are sure to live up to the conservative dinner scene this spring. Made of black satin, black wool gabardine or black tulle with a choice of short skirt, long skirt or pants that stop way above the ankle, they come in quietly.

When the lady takes off her jacket, or even just opens it, she is wearing no more than a strapless black lace bra or, at the most, a somewhat see-through camisole. I can remember when restaurant owners were having heart attacks at women arriving for dinner in pants. Can't you?

Pants Suit
Saint Laurent brings back the pants suit in a big way, showing as many as he does skirts. The first outfit on the runway was an all-white pants suit, and a preview of what was to come later. Its jacket had the broadest shoulders since Saint Laurent's famous force collection, and though the pants were cut like a man's and ended in cuffs, they stopped short several inches above the ankles to show the nylon and fancy shoes. The model was accompanied by a male model wear-

ing a white suit from Saint Laurent's men's wear collection, just to point out how different the two should look.

Besides the all-black and all-white suits, Saint Laurent likes monochrome jackets above inconspicuously striped pants. One of his favorite looks is the white top over the black pants or narrow black skirts that he uses to balance the broad shoulders. The white tops can be blazers, cropped jackets that stop at the waist or even mid-thigh pullovers.

White blouses have longer necklines than last season or else spill ruffles down the front or at the cuffs to underscore the feminine look, and sashes also help. The shoes and stockings are always black.

Suit Season
It's a suit season, and don't forget it. Though Saint Laurent provides a few soft daytime dresses, he is as disinterested in the subject as most of his customers are.

He has saved his creative energy to give the evening clothes all that jazz, and do they ever have it. Some of those I especially remember are the strapless black lace sheath under a long, floating black lace coat; the just-above-knee black sequin chemise with yards of black tulle scarf; the bright red chiffon and the carnival black chiffon printed in big, white blobs and wrapped in a whirlwind of dotted bright red and bright green scarves. Saint Laurent uses more chiffon than you might expect but he cuts it with a free hand. It floats and helps to tell the story.

The irregular hemline, always dipping to the back, isn't an exclusive. It turns up in all the collections, but Saint Laurent carries it to greater extremes. It's a bride, a 12-year-old black girl, wears white cotton, outlined in a double row of deep ruffles that started knee high and swept the floor behind. His runway star was Mima, a black model from one of the Central American countries who recently appeared on Ebony's cover.

Saint Laurent himself is in fine form and just finishing the costumes for a Coteau play, "L'Alpe et Deux Têtes," that will open here soon.

Paris Honors U.S. Fashion Critic
PARIS, Jan. 25 (UPI)—The French high-fashion industry rallied around last night to pay a black-tie tribute to American fashion critic Eugenia Sheppard.

All the major French designers took over Maxim's and invited their favorite international customers, who are also often their best friends, to a festive dinner-chance. Ailsa Gribauval, president of the Chambre Syndicale de la Couture Parisienne, made a short speech at the end of the dinner, thanking "Chère Eugenia" for "the international reputation your perception has given to French high fashion."

Along with the tribute came a Baccarat glass vase, engraved with the critic's name. The city of Paris also paid an unexpected homage by dispatching Assistant Mayor Jean de Prémaunt to award Miss Sheppard the city's highest medal.

The Designers
Listening to the accolades were designers Pierre Balmain, Hubert de Givenchy, Guy Laroche, Jean-Louis Scherrer, Philippe Venet, Pierre Cardin, Marc Bohan of Dior and Gérard Pipart of Rêve de Lavin and Patou houses. Yves Saint Laurent had two tables, but was unable to make it because he was still working on his collection, which he showed this morning.

Miss Sheppard started covering the Paris collections in 1959 for The New York Herald Tribune and never missed a season. Often against all odds, she always supported couture. "It has the glamour, the authority," she says, and claims that there is no question that Paris is still the fashion capital of the world.

The Guests
The award was unusual for several reasons. First of all, Paris designers mix about as well as oil and water. So, it was quite a compliment to have them all in the same room. Second, Miss Sheppard, who invented a fresh, honest, say-it-as-it-is form of fashion journalism, often ruffled many fashion feathers. But all was forgotten last night as Miss Sheppard, on a thank-you round of the tables, was unable to cope with the hugs and kisses.



Saint Laurent's new version of the pants suit has cuffs on the trousers that stop just above the ankle. The bows at neck and waistline emphasize femininity.

Slips Press.

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Princess Grace came with her son, Prince Albert, her daughter, Princess Caroline, and the princesses of Monaco, Philippe Junot.

The place was thick with chic and titled women, including the Countess of Paris, the Duchess of Orleans, the Duchess of Bedford, Princess of Loboswick, Countess

d'Ornano, Viscountess de Rosières and Baroness Guy de Rothschild, who was joined later by Rudolf Nureyev.

But that, too, fitted nicely into Miss Sheppard's career as she was the first one to bring socialites into the news via the fashion pages.

Fashion critic Eugenia Sheppard at party in her honor. With her: Monaco's Prince Albert and Princess Grace.

Associated Press.

WAVERLEY ROOT

Gelatin: The Food That Almost Isn't

"BOIL a set of [calves'] feet in four quarts of water," Eliza Leslie advised early 19th-century housewives in her "Directions for Cookery" is set of feet in the kitchen, as on the left, is four. They should boil slowly till the liquid is reduced to two quarts or one half the original quantity, and the meat has dropped in rags from the bone. Then strain the liquid; measure and set it away in a large earthen pan to get cold; and let it rest till next morning. Then if you do not find a firm cake of jelly, boil it over again with an ounce of isinglass, and again set away until cool and congealed. Remove the sediment from the bottom of the cake of jelly and carefully scrape off all the fat. The smallest bit of fat will eventually render it dull and cloudy. Press some clean blotting paper all over it to absorb what little grease may yet remain."

This would seem to be the American housewife like a great deal of travel for arriving at gelatin today, or for the housewife almost anywhere in the world for that matter, since gelatin has been more successful than the United Nations in achieving international harmony and is sold almost everywhere in standardized form and quality—six sheets is universally the correct amount to dissolve in a pint (or half a liter) of water, while the equivalent in powdered form is 1/2 ounce (a tablespoon) or 15 grams, the amount contained in one of the small envelopes in which powdered gelatin is packaged in the United States.

Calves' feet have been forgotten. All the housewife has to do nowadays is add water to the prepared product; and ever since the passage of the Pure Food and Drugs Act in 1906, she has not been obliged to worry about getting a little lead or arsenic along with her gelatin.

This is a development of our century, but it need not have been. Powdered gelatin existed in the 1840s, even in combination with sugar and artificial flavors, the ready-prepared gelatin desserts of today (whose flavoring seems to have been synthetic from the very beginning), but nobody knew about it for half a century because the arts of advertising, merchandising and packaging had not yet gotten under way. When the news of the existence of prepared gelatin did start getting around, the merchandise was still slow to gain public favor because modern refrigeration had not yet been developed. There was perhaps another potent factor also, the lack of a trademark to run trippingly off the tongue, which in the realm of foodstuffs has often been decisive for success—in this case, Jell-O.

The commonest food use of gelatin is for desserts, in which case it is usually bought in the form of the already sugared and flavored package which demands of the purchaser only that he or she add water. Unflavored gelatin remains in some demand for soups, gelatin salads (which, personally, I can do without), or aspic.

Gelatin is not obtainable, as many persons believe, from hoofs or horns. When Miss Leslie boiled calves' feet, she derived the gelatin not from the hoofs, but from the scraps of white connective tissue which still clung to them—cartilage, sinews, skin and cain (from the protein matrix of bone). Commercial gelatin is

made 10 per cent from cuneus and 90 per cent from hides. Of the total commercial output, 60 to 65 per cent goes into foods and the rest into various other uses—it provides the mixer covering for medicines delivered in soft capsules, it makes emulsions for photography, it is used in the painting of fabrics, it is involved in some types of duplicating equipment, like the hectograph, and it is used for clarifying wine or beer—which, via industrial wines, gets us back into the food category again, as does its addition to ice cream as a stabilizer; it prevents the formation of ice crystals.

Gelatin is largely protein, 85.5 grams of it for each 100 grams of dry gelatin, which generates only 59 calories, so weight watchers might consider it an ideal means for taking on proteins without being beset by calories. But there is a catch: natural dry gelatin may have 85.5 grams of protein per 100, but the commercial gelatin you buy has only 6.4, and by the time this has been dissolved in the necessary amount of water, you have no more than 1.5 grams of protein per 100 grams of intake. Moreover, much of this minute residue is indigestible, for gelatin has a low amino acid content, and amino acids are required to make proteins assimilable. Gelatin is one of the few foods with a negative protein efficiency ratio—which means, to oversimplify a little, that laboratory rats fed on it would lose weight instead of gaining it. Gelatin has no fats, but it has no mineral salts or vitamins either. It is, indeed, as close to being no food at all as any food can possibly get.

(C) Waverley Root.

DINING OUT IN RIO

An Offshoot of Lisbon's Finest

By Naomi Barry

RIO DE JANEIRO (UPI).—During Carnival, Rio hosts the world and every available room has been booked for months.

Visitors who know Europe, hungry for more than the superb pineapple (abacaxi) and other tropical fruits, are happy to find the Aviz, an offshoot of Lisbon's finest restaurant of the same name. It is far and away the best public eating place in Rio. Local gastronomic critics have hailed it as the top restaurant of Brazil, outranking any in Sao Paulo, the country's restaurant capital.

The success of the Aviz after two years is the story of two recent Portuguese immigrants, Fernando Ferramentas and Joaquim Olivares, formerly manager and chef of the Lisbon Aviz, who felt the time had come to pull up stakes and try their luck in South America.

To pioneer a luxury restaurant at first was such hard work they wondered if they had jumped from frying pan to fire, so "underdeveloped" were the standards of food and service. Clients were nil. Tourists clung to Copacabana, unwilling, very often to chance the traffic and carping drivers. Rio's cluster of millionaires seemed either to eat at home or abroad.

The deep-comfort, contemporary-decorated Aviz is located high above the passing throng on the 5th floor of an office building in downtown Rio. When businessmen from the neighborhood finally discovered the joys of the big business lunch silently served, the Aviz began to make headway.

The menu is Portuguese. However, Ferramentas—determined to adapt to his new homeland—scouted the local potentials. He stumbled on a small variety of papaya from Amazonas that was sweeter and juicier than the big one that was currently in favor. The Aviz made it so popular, it is now sold regularly on the Rio market.

The businessmen didn't care for lamb, preferring beef from Brazil's southernmost province, cooked to a char. Ferramentas thought the lamb was so good that he persisted in presenting it, roasted within a fine wrap of minced garlic, chopped herbs and grated bread crumbs. It is now one of the restaurant's star items. Copacabana, exclusive to these waters, is a small member of the lobster family. "Very rich flavor, more tasty than lobster," said Ferramentas. "Excellent for broiling."

Nobody does fresh grilled sardines better than the Portuguese, and they now have found

an appreciative public among the Portuguese-speaking Brazilians. Ferramentas also has introduced his clients to the excellence of their own vegetables... celery, asparagus, artichokes, broccoli, green beans, peas, eggplant, spinach.

The most spectacular of the Aviz import-export dishes is the cataplana, a distinctive specialty of Portugal. You start with the cataplana, a cooking utensil so handsome that many people bang it on their kitchen walls even without knowing what to do with it.

Two hand-hammered copper hemispheres are hinged together. Ingredients are heaped in one and the second pan is brought over it to be held in place with three clamps. A form of steam cooking is then made possible in what looks like a kitchen-style frying sauce. A lightly floured Dutch oven would do but the effect would be less gorgeous.

Cataplana Aviz

250 grams pork fillet, cut into small pieces
250 grams linguica, a smoked garlic sausage. Chorizo can be substituted.
125 grams preselctio
300 grams clams, add clam juice
100 grams shrimp
4 medium onions, finely sliced
2 peeled chopped tomatoes
1 clove minced garlic
1 tablespoon olive oil

ENTERTAINMENT IN NEW YORK

NEW YORK, Jan. 25 (UPI).—This is how New York Times critics rate new films and plays:

Films

"Operation Thunderbolt," another movie treatment of the Israeli rescue raid at Entebbe, "is a dull and propagandistic Israeli-made feature that is in some ways the least successful of all." Janet Maslin says. Sybil Danning stars as a shrill German terrorist and Klaus Kinski is her wild-eyed comrade. Miss Maslin calls the film "disturbingly inflammatory," and the director, Menahem Golan, "can't handle its mob scenes. He opts for stereotypes and turns the group of passengers into an uninterestingly familiar one." Finally, "the filmmaker's unwillingness to elaborate on the details of the Israeli's crackerjack strategy robs the event of its most exciting and unexplored aspect."

Plays

"Molly," written by Simon Gray, "is a curious, stormy melodrama." Richard Eder says. It's about a deaf, old businessman

married to a frustrated younger woman. She seduces the gardener. The husband suspects the boy, humiliates him then fires him. The boy then stabs the man to death. The play has gone through a lot of rewriting and "the effort has been large but insufficient." Gray "has created a powerful dramatic image out of the story but he has not created a play."

The image is that of the husband, played "splendidly" by Michael Higgins. But the problem is that "Gray simply does not know what to do with the wife, Molly," played by Tammy Grimes. There are some very good parts, the seduction of the gardener "is written with some wit and tenderness," and Molly's defense of her conduct to the housekeeper "has spirit and bite." "But none of it is much more than a civilized embroidery on a rather ordinary melodrama," Eder says.

Shah to Visit India
NEW DELHI, Jan. 25 (Reuters).—The Shah of Iran will arrive here on Feb. 2 for a three-day official visit and talks with Indian government leaders, it was announced yesterday.

nouvelle collection

Chloé

2 et 3, rue de GRIBEAUVAL (7^e)

NYSE Nationwide Trading (3 O'clock) Jan. 25[illegible]

NOTICE OF REDEMPTION
of
Ente Nazionale per l'Energia Elettrica-ENEL

(Italian National Electric Energy Agency)
7½ Per Cent. 15-Year Guaranteed Bonds of 1970
Due March 1, 1985

NOTICE IS HEREBY GIVEN, on behalf of Ente Nazionale per l'Energia Elettrica-ENEL, that on March 1, 1978, \$3,500,000 principal amount of its 7 1/4 Per Cent 15-Year Guaranteed Bonds of 1970 will be redeemed out of moneys to be paid by it to Dillon, Read & Co., as Principal Paying Agent, pursuant to the mandatory, annual redemption requirement of said Bonds and to the related Authenticating Agency Agreement and Paying Agency Agreement, each dated as of March 1, 1970. The Chase Manhattan Bank (National Association), as Authenticating Agent, has selected, by lot, for such redemption the Bonds bearing the following serial numbers:

BONDS SELECTED FOR REDEMPTION																																																																																																				
25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																									
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100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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Bonds so selected for redemption will become due and payable in United States dollars on March 1, 1978, at the office of Dillon, Read & Co., 48 Wall Street, New York, New York 10005, at one hundred per cent (100%) of the principal amount thereof with interest accrued thereon to the redemption date. Bonds should be presented for redemption together with all appurtenant coupons maturing subsequent to the redemption date. If moneys for the redemption of all the Bonds to be redeemed are available at the office of Dillon, Read & Co. on the redemption date, interest thereon will cease to accrue from and after such date.

At the option of the respective holders of bearer Bonds selected for redemption, the principal amount thereof and interest thereon may be collected upon presentation at the offices of the following Co-Paying Agents: in Luxembourg-Ville, Grand Duché de Luxembourg at the principal office of Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg S.A., or in Milan, Italy at the principal branch of Banca Commerciale Italiana S.p.A., or in London, United Kingdom at the principal office of S.G. Warburg & Co. Limited, or in Frankfurt, a/M, Federal Republic of Germany at the principal office of Deutsche Bank A.G. Additionally, insurance companies doing business in the Republic of Italy may present for redemption Bonds registered as to principal, which they own, at the principal branch of the Co-Paying Agent in Milan, Italy.

DILLON, READ & CO.
Principal Paying Agent

Dated: January 26, 1978

12 Month - Stock										12 Month - Stock										12 Month - Stock										
High Low Div Yrs % P/E 100s										High Low Div Yrs % P/E 100s										High Low Div Yrs % P/E 100s										
37	Cabot	2	4.5	6	18	44	44			270	44	OPP	2	3.7	8	5	3			271	1	Dhrasf	7	14	7	14				
38	Cabot	2	4.5	6	18	44	44			272	1	Dhrasf	7	14	7	14				272	1	Dhrasf	7	14	7	14				
39	Cabot	2	4.5	6	18	44	44			273	1	Dhrasf	7	14	7	14				273	1	Dhrasf	7	14	7	14				
40	Cabot	2	4.5	6	18	44	44			274	1	Dhrasf	7	14	7	14				274	1	Dhrasf	7	14	7	14				
41	Cabot	2	4.5	6	18	44	44			275	1	Dhrasf	7	14	7	14				275	1	Dhrasf	7	14	7	14				
42	Cabot	2	4.5	6	18	44	44			276	1	Dhrasf	7	14	7	14				276	1	Dhrasf	7	14	7	14				
43	Cabot	2	4.5	6	18	44	44			277	1	Dhrasf	7	14	7	14				277	1	Dhrasf	7	14	7	14				
44	Cabot	2	4.5	6	18	44	44			278	1	Dhrasf	7	14	7	14				278	1	Dhrasf	7	14	7	14				
45	Cabot	2	4.5	6	18	44	44			279	1	Dhrasf	7	14	7	14				279	1	Dhrasf	7	14	7	14				
46	Cabot	2	4.5	6	18	44	44			280	1	Dhrasf	7	14	7	14				280	1	Dhrasf	7	14	7	14				
47	Cabot	2	4.5	6	18	44	44			281	1	Dhrasf	7	14	7	14				281	1	Dhrasf	7	14	7	14				
48	Cabot	2	4.5	6	18	44	44			282	1	Dhrasf	7	14	7	14				282	1	Dhrasf	7	14	7	14				
49	Cabot	2	4.5	6	18	44	44			283	1	Dhrasf	7	14	7	14				283	1	Dhrasf	7	14	7	14				
50	Cabot	2	4.5	6	18	44	44			284	1	Dhrasf	7	14	7	14				284	1	Dhrasf	7	14	7	14				
51	Cabot	2	4.5	6	18	44	44			285	1	Dhrasf	7	14	7	14				285	1	Dhrasf	7	14	7	14				
52	Cabot	2	4.5	6	18	44	44			286	1	Dhrasf	7	14	7	14				286	1	Dhrasf	7	14	7	14				
53	Cabot	2	4.5	6	18	44	44			287	1	Dhrasf	7	14	7	14				287	1	Dhrasf	7	14	7	14				
54	Cabot	2	4.5	6	18	44	44			288	1	Dhrasf	7	14	7	14				288	1	Dhrasf	7	14	7	14				
55	Cabot	2	4.5	6	18	44	44			289	1	Dhrasf	7	14	7	14				289	1	Dhrasf	7	14	7	14				
56	Cabot	2	4.5	6	18	44	44			290	1	Dhrasf	7	14	7	14				290	1	Dhrasf	7	14	7	14				
57	Cabot	2	4.5	6	18	44	44			291	1	Dhrasf	7	14	7	14				291	1	Dhrasf	7	14	7	14				
58	Cabot	2	4.5	6	18	44	44			292	1	Dhrasf	7	14	7	14				292	1	Dhrasf	7	14	7	14				
59	Cabot	2	4.5	6	18	44	44			293	1	Dhrasf	7	14	7	14				293	1	Dhrasf	7	14	7	14				
60	Cabot	2	4.5	6	18	44	44			294	1	Dhrasf	7	14	7	14				294	1	Dhrasf	7	14	7	14				
61	Cabot	2	4.5	6	18	44	44			295	1	Dhrasf	7	14	7	14				295	1	Dhrasf	7	14	7	14				
62	Cabot	2	4.5	6	18	44	44			296	1	Dhrasf	7	14	7	14				296	1	Dhrasf	7	14	7	14				
63	Cabot	2	4.5	6	18	44	44			297	1	Dhrasf	7	14	7	14				297	1	Dhrasf	7	14	7	14				
64	Cabot	2	4.5	6	18	44	44			298	1	Dhrasf	7	14	7	14				298	1	Dhrasf	7	14	7	14				
65	Cabot	2	4.5	6	18	44	44			299	1	Dhrasf	7	14	7	14				299	1	Dhrasf	7	14	7	14				
66	Cabot	2	4.5	6	18	44	44			300	1	Dhrasf	7	14	7	14				300	1	Dhrasf	7	14	7	14				
67	Cabot	2	4.5	6	18	44	44			301	1	Dhrasf	7	14	7	14				301	1	Dhrasf	7	14	7	14				
68	Cabot	2	4.5	6	18	44	44			302	1	Dhrasf	7	14	7	14				302	1	Dhrasf	7	14	7	14				
69	Cabot	2	4.5	6	18	44	44			303	1	Dhrasf	7	14	7	14				303	1	Dhrasf	7	14	7	14				
70	Cabot	2	4.5	6	18	44	44			304	1	Dhrasf	7	14	7	14				304	1	Dhrasf	7	14	7	14				
71	Cabot	2	4.5	6	18	44	44			305	1	Dhrasf	7	14	7	14				305	1	Dhrasf	7	14	7	14				
72	Cabot	2	4.5	6	18	44	44			306	1	Dhrasf	7	14	7	14				306	1	Dhrasf	7	14	7	14				
73	Cabot	2	4.5	6	18	44	44			307	1	Dhrasf	7	14	7	14				307	1	Dhrasf	7	14	7	14				
74	Cabot	2	4.5	6	18	44	44			308	1	Dhrasf	7	14	7	14				308	1	Dhrasf	7	14	7	14				
75	Cabot	2	4.5	6	18	44	44			309	1	Dhrasf	7	14	7	14				309	1	Dhrasf	7	14	7	14				
76	Cabot	2	4.5	6	18	44	44			310	1	Dhrasf	7	14	7	14				310	1	Dhrasf	7	14	7	14				
77	Cabot	2	4.5	6	18	44	44			311	1	Dhrasf	7	14	7	14				311	1	Dhrasf	7	14	7	14				
78	Cabot	2	4.5	6	18	44	44			312	1	Dhrasf	7	14	7	14				312	1	Dhrasf	7	14	7	14				
79	Cabot	2	4.5	6	18	44	44			313	1	Dhrasf	7	14	7	14				313	1	Dhrasf	7	14	7	14				
80	Cabot	2	4.5	6	18	44	44			314	1	Dhrasf	7	14	7	14				314	1	Dhrasf	7	14	7	14				
81	Cabot	2	4.5	6	18	44	44			315	1	Dhrasf	7	14	7	14				315	1	Dhrasf	7	14	7	14				
82	Cabot	2	4.5	6	18	44	44			316	1	Dhrasf	7	14	7	14				316	1	Dhrasf	7	14	7	14				
83	Cabot	2	4.5	6	18	44	44			317	1	Dhrasf	7	14	7	14				317	1	Dhrasf	7	14	7	14				
84	Cabot	2	4.5	6	18	44	44			318	1	Dhrasf	7	14	7	14				318	1	Dhrasf	7	14	7	14				
85	Cabot	2	4.5	6	18	44	44			319	1	Dhrasf	7	14	7	14				319	1	Dhrasf	7	14	7	14				
86	Cabot	2	4.5	6	18	44	44			320	1	Dhrasf	7	14	7	14				320	1	Dhrasf	7	14	7	14				
87	Cabot	2	4.5	6	18	44	44			321	1	Dhrasf	7	14	7	14				321	1	Dhrasf	7	14	7	14				
88	Cabot	2	4.5	6	18	44	44			322	1	Dhrasf	7	14	7	14				322	1	Dhrasf	7	14	7	14				
89	Cabot	2	4.5	6	18	44	44			323	1	Dhrasf	7	14	7	14				323	1	Dhrasf	7	14	7	14				
90	Cabot	2	4.5	6	18	44	44			324	1	Dhrasf	7	14	7	14				324	1	Dhrasf	7	14	7	14				
91	Cabot	2	4.5	6	18	44	44			325	1	Dhrasf	7	14	7	14				325	1	Dhrasf	7	14	7	14				
92	Cabot	2	4.5	6	18	44	44			326	1	Dhrasf	7	14	7	14				326	1	Dhrasf	7	14	7	14				
93	Cabot	2	4.5	6	18	44	44			327	1	Dhrasf	7	14	7	14				327	1	Dhrasf	7	14	7	14				
94	Cabot	2	4.5	6	18	44	44			328	1	Dhrasf	7	14	7	14				328	1	Dhrasf	7	14	7	14				
95	Cabot	2	4.5	6	18	44	44			329	1	Dhrasf	7	14	7	14				329	1	Dhrasf	7	14	7	14				
96	Cabot	2	4.5	6	18	44	44			330	1	Dhrasf	7	14	7	14				330	1	Dhrasf	7	14	7	14				
97	Cabot	2	4.5	6	18	44	44			331	1	Dhrasf	7	14	7	14				331	1	Dhrasf	7	14	7	14				
98	Cabot	2	4.5	6	18	44	44			332	1	Dhrasf	7	14	7	14				332	1	Dhrasf	7	14	7	14				
99	Cabot	2	4.5	6	18	44	44			333	1	Dhrasf	7	14	7	14				333	1	Dhrasf	7	14	7	14				
100	Cabot	2	4.5	6	18	44	44			334	1	Dhrasf	7	14	7	14				334	1	Dhrasf	7	14	7	14				
101	Cabot																													

TELECOMUNICAÇÕES DE SÃO PAULO S.A.
TELESP

U.S. \$180,000,000
MEDIUM TERM CREDIT FACILITY

GUARANTEED BY

TELECOMUNICAÇÕES BRASILEIRAS S.A.
TELEBRÁS

MANAGED BY
CHASE MANHATTAN LIMITED

BANCO DO BRASIL S.A.
MORGAN GUARANTY TRUST
COMPANY OF NEW YORK

COMPAGNIE LUXEMBOURGEOISE
DE LA DRESNER BANK AG
—DRESNER BANK INTERNATIONAL—

ALGEMENE BANK NEDERLAND N.V.
LIBRA BANK LIMITED
THE ROYAL BANK OF CANADA
INTERNATIONAL LIMITED

BANKERS TRUST INTERNATIONAL
LIMITED
SKANDINAVISKA ENSKILDA BANKEN

THE CHASE MANHATTAN BANK, N.A.
COMPAGNIE LUXEMBOURGEOISE DE LA DRESNER BANK AG
DRESNER BANK INTERNATIONAL—
ALGERIAN BANK NEDELLAH N.V.
THE ROYAL BANK OF CANADA INTERNATIONAL LIMITED (IN ASSAULT)

BANCO DO BRASIL S.A., LONDON BRANCH
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
BANKERS TRUST COMPANY
LIBRA BANK LIMITED
SKANDINAVISKA ENSKILDA BANKEN

BANCO DO ESTADO DE SÃO PAULO S.A.	BANCO NACIONAL S.A., NASSAU BRANCH
THE BANK OF TOKYO (HOLLAND) N.V.	EURO-LATINAMERICAN BANK LIMITED - EULABANK
FIRST NATIONAL BANK IN DALLAS	THE MITSUBISHI BANK, LIMITED
THE NIPPON CREDIT BANK LIMITED	SOCIÉTÉ GÉNÉRALE DE BANQUE SA

CANADIAN IMPERIAL BANK OF COMMERCE
SEATTLE FIRST NATIONAL BANK, NASSAU BRANCH
DEUTSCH-SÜDAMERIKANISCHE BANK AG

— AFFILIATE OF QRESDORER BANK AG —
NATIONAL BANK OF NORTH AMERICA, NASSAU BRANCH
THE SUMITOMO BANK LIMITED
BANK OF SCOTLAND
BANQUE FIDUCIAIRE POUR L'AMERIQUE LATINE (REAL) S.A.
NAGAHARA BANK LIMITED
NEW ENGLAND MERCHANTS NATIONAL BANK
BANCO DE VIZCAYA S.A.
THE BANK OF YOKOHAMA, LIMITED
THE DANABANK LIMITED

THE DETROIT BANK AND TRUST COMPANY
HOUSTON NATIONAL BANK
MIDLAND BANK LIMITED
NEDERLANDSE CREDIETBANK N.V.

THE ROYAL BANK AND TRUST COMPANY
THE SANWA BANK, LIMITED
UBAF ARAB AMERICAN BANK
BANCO DI NAPOLI
ROYWEST BANKING CORPORATION LIMITED
TRADE DEVELOPMENT BANK, LONDON BRANCH
BANCOMER S.A.—LOS ANGELES INTERNATIONAL BANKING BR
BANQUE CANADIENNE NATIONALE (RAHIMASI) LIMITED

THE COMMERCIAL BANK OF AUSTRALIA LIMITED
EUROPEAN ARAB BANK S.A.
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19th DEC

PARIS, THURSDAY, JANUARY 26, 1978

Page 7

West German Surplus Post's Sharp Increase

By Sarah K. Mero

FRANKFURT, Jan. 25 (AP-DJ)—The West German trade surplus rose in December to 4.22 billion marks, its second-highest level of 1977, the Federal Statistics Office reported today.

The November surplus on merchandise trade was 3.08 billion marks and the surplus in December 1976 was 3.55 billion marks. Observers were caught off guard by the surprisingly high December total, as market estimates had placed the figure within the 3-billion to 4-billion mark range. The trade surplus hit a 1977 peak of 4.86 billion marks in October.

The December figures brought the trade surplus for 1977 to 38.18 billion marks, up 11.4 per cent from 34.49 billion marks in 1976. The current account—comprising trade, services and transfers—posted a preliminary surplus of 3.14 billion marks in 1977, down 4 per cent from 3.45 billion marks in 1976. It showed a preliminary surplus of 2.8 billion marks in December, up from 1.55 billion marks in November and also up from 1.04 billion marks in the year-earlier month.

Economists said that seasonal considerations accounted in part for the sharp monthly rise in the trade surplus, as exporters sought to get orders booked before year-end. Exports rose 8 per cent in the month to 25.43 billion marks from November, more than double the rate of increase in imports. Imports rose by nearly 4 per cent to 21.21 billion marks from the previous month.

Pressure on Dollar
Despite the seasonal factors, economists and foreign exchange dealers alike expressed surprise at the size of the December rise. On the foreign exchange market, the news resulted in heavy pressure on the dollar which dipped as low as 2.0900 in Frankfurt.

According to a chief foreign exchange dealer, the December results only underlined the fact that the recent revaluation of the mark against the dollar has not been effective in reducing the German trade balance. He said that

only heavy Bundesbank support for the U.S. fund today kept the sell-off within bounds.

Economists say, however, that the impact of the rising mark will begin to be felt in 1978, as Germany's exports become less competitive in world markets.

Rising domestic demand is also expected to boost imports in the current year. Economists expect the impact to be felt most sharply in the export-intensive machine-manufacturing industry, and less so in the plant construction sector, where know-how and prompt delivery outweigh cost factors.

They explained that in the short-term Germany's imports, denominated in foreign currency, cost less in terms of marks while exports, denominated in marks, are not affected. Thus, the volume of imports can exceed that of exports even while the cost of imports declines, mainly because of the rising value of the mark.

Analysts said that the 11.4-per cent yearly rise in the trade surplus came as no surprise. Since mid-year, the rate of increase in exports has exceeded that of imports, after growing at mostly the same rate in the first half. During 1977, exports rose 6.5 per cent to 27.67 billion marks, while imports were up by 5.8 per cent to 23.45 billion marks.

In the fourth quarter, however, exports rose by 6 per cent from 7.14 billion marks, while imports rose by 5.8 per cent to 6.07 billion marks, nearly twice the rate of increase of imports.

Forecast for Year
In its report on the economy for 1978 released today, the government forecast a 5-per-cent real rise in exports in 1978, following a 4.6-per-cent real rise in 1977. It also projected a 3.5-per-cent real growth rate for the gross national product in 1978, up from the preliminary 2.5-per-cent rise last year.

The report is based on the assumption that self-sustained economic growth will be fueled by higher domestic demand as well as rising exports, the government said.

Company Reports

Revenue, Profit in Millions of Dollars

American Electric Power			
Fourth Quarter	1977	1976	
Revenue	535.0	490.8	
Profits	71.4	60.7	
Per Share	0.70	0.75	
Year			
Revenue	2,040.0	1,840.0	
Profits	236.9	236.9	
Per Share	2.24	2.60	
Bethlehem Steel			
Fourth Quarter	1977	1976	
Revenue	1,360.0	1,240.0	
Profits	19.2	39.7	
Per Share	0.43	0.81	
Year			
Revenue	5,410.0	4,900.0	
Profits	448.2	168.0	
Per Share	—	3.85	
—Denotes loss.			
Boise Cascade			
Fourth Quarter	1977	1976	
Revenue	597.9	503.8	
Profits	27.9	27.5	
Per Share	1.03	0.93	
Year			
Revenue	2,310.0	1,930.0	
Profits	115.6	97.3	
Per Share	4.00	3.30	
Celanese			
Fourth Quarter	1977	1976	
Revenue	576.0	509.0	
Profits	15.0	8.0	
Per Share	1.01	0.62	
Year			
Revenue	2,320.0	2,120.0	
Profits	70.0	65.0	
Per Share	4.70	4.87	
Cities Service			
Fourth Quarter	1977	1976	
Revenue	1,190.0	1,190.0	
Profits	54.3	59.3	
Per Share	1.96	2.18	
Year			
Revenue	4,430.0	4,010.0	
Profits	210.2	217.0	
Per Share	7.62	7.98	
Control Data			
Fourth Quarter	1977	1976	
Revenue	543.0	598.0	
Profits	14.7	10.8	
Per Share	0.85	0.62	
Year			
Revenue	2,300.0	2,100.0	
Profits	62.9	44.2	
Per Share	3.65	2.55	
General Foods			
Third Quarter	1977	1976	
Revenue	1,570.0	1,200.0	
Profits	38.5	36.8	
Per Share	0.77	0.74	
Nine Months			
Revenue	2,820.0	2,450.0	
Profits	117.7	194.5	
Per Share	2.36	2.70	
Heublein			
Second Quarter	1977	1976	
Revenue	443.8	410.1	
Profits	16.8	14.1	
Per Share	0.79	0.65	
Six Months			
Revenue	831.9	792.7	
Profits	31.3	27.4	
Per Share	1.47	1.27	
Honeywell			
Fourth Quarter	1977	1976	
Revenue	828.8	731.2	
Profits	48.8	42.2	
Per Share	2.32	2.07	
Year			
Revenue	2,900.0	2,510.0	
Profits	145.1	113.1	
Per Share	6.90	5.50	
Ingersoll-Rand			
Fourth Quarter	1977	1976	
Revenue	568.8	500.3	
Profits	32.1	30.1	
Per Share	1.65	0.98	
Year			
Revenue	2,100.0	1,900.0	
Profits	117.7	106.9	
Per Share	5.83	5.33	
Koppers			
Fourth Quarter	1977	1976	
Revenue	352.50	322.50	
Profits	14.30	12.30	
Per Share	0.81	0.51	
Year			
Revenue	1,360.00	1,190.00	
Profits	65.20	66.80	
Per Share	2.64	2.67	
Mead			
Fourth Quarter	1977	1976	
Revenue	497.9	403.7	
Profits	22.3	21.6	
Per Share	0.94	0.87	
Year			
Revenue	1,620.0	1,590.0	
Profits	98.0	88.8	
Per Share	4.10	3.61	
Merek			
Fourth Quarter	1977	1976	
Revenue	443.0	401.8	
Profits	62.3	56.7	
Per Share	0.83	0.75	
Year			
Revenue	1,720.0	1,560.0	
Profits	277.5	255.7	
Per Share	3.67	3.39	
Norton Simon			
Fourth Quarter	1977	1976	
Revenue	879.4	458.1	
Profits	71.4	30.1	
Per Share	0.61	0.56	
Six Months			
Revenue	1,130.0	890.7	
Profits	58.8	51.9	
Per Share	1.24	1.09	
Philip Morris			
Fourth Quarter	1977	1976	
Revenue	1,280.0	1,180.0	
Profits	84.2	67.0	
Per Share	1.41	1.13	
Year			
Revenue	5,200.0	4,280.0	
Profits	234.8	265.7	
Per Share	5.80	4.47	
Rohm & Haas			
Fourth Quarter	1977	1976	
Revenue	267.4	243.2	
Profits	6.9	5.7	
Per Share	0.54	0.44	
Year			
Revenue	1,120.0	1,010.0	
Profits	45.6	46.1	
Per Share	3.56	3.59	
Singer			
Fourth Quarter	1977	1976	
Revenue	618.00	578.00	
Profits	36.60	30.60	
Per Share	1.45	1.11	
Year			
Revenue	2,280.00	2,110.00	
Profits	74.50	58.80	
Per Share	3.98	3.09	
Sperry Rand			
Third Quarter	1977	1976	
Revenue	908.1	808.7	
Profits	39.8	36.7	
Per Share	1.14	1.05	
Share dil.	1.04	0.96	
Nine Months			
Revenue	2,578.0	2,273.0	
Profits	117.0	109.0	
Per Share	3.37	3.13	
Union Pacific			
Fourth Quarter	1977	1976	
Revenue	678.7	553.6	
Profits	63.8	57.9	
Per Share	1.34	1.24	
Share dil.	1.32	1.20	
Year			
Revenue	2,500.0	2,020.0	
Profits	231.9	187.7	
Per Share	4.68	4.02	
Share dil.	4.60	3.91	

Fund Managers 'Beat the Market'

NEW YORK, Jan. 25 (AP-DJ)—Few professional managers at banks and insurance companies can boast about making money in the 1977 stock market decline, but many believe they had a good year, nonetheless.

The reason: By one of the few available measures, more of these investment managers "beat the market" in 1977 than have done so for some time. Among 161 pooled equity funds, accounting for more than \$14 billion in stock investments, 106 either ended the year with smaller losses than Standard & Poor's 500-stock index or, in the case of 18 funds, were up for the year.

This picture of investment results for the pooled funds, sent by banks and insurance companies to their clients' pension-fund accounts, emerges from a preliminary survey by Rogers, Casey & Bardsdale, a Stamford, Conn., financial consultant to pension funds. It is a condensed version of a more detailed report being prepared by the firm.

In addition to pooled equity funds, the data covers 142 pooled fixed-income funds with assets of \$8.4 billion. Among the latter, more than 90 per cent outperformed the Seasoned Brokers high-grade bond index last year.

"It was a year in which diversification, flexibility in making cash reserves, and stock selection outside the S & P-500 and among the smaller companies within the index paid off for managers," says Edgar Bardsdale of the consulting firm.

Some of the better gains in last year's fourth quarter and for the full year were recorded by pooled equity funds that moved 35 per cent, 35

per cent or even more of assets out of stocks and into cash or short-term investments. "This kind of switch is substantial for pension accounts," says Mr. Bardsdale, "but there has been an increasing willingness to raise cash reserves."

In assessing their own relative performance, money managers were going up against declines in the S & P-500, adjusted for dividends, of 7.2 per cent for the full year and 0.1 per cent in the fourth quarter.

The best 1977 equity fund result in the Rogers Casey sample was turned in by a \$6-million fund managed by Guardian Insurance & Annuity Co. of New York City, up 7.9 per cent; the worst was by a \$42-million fund of U.S. Trust Co. of New York, off 12.6 per cent.

Despite the relatively good marks for a majority of pooled funds last year, the managers' results for longer periods still remain well below average. Only one in five bank and insurance pooled equity funds has matched or exceeded the 28-per-cent annual total return of the S & P-500 over the nine years since year-end 1968. The split is about the same over the past three, five and seven years—about 80 per cent of the funds lag behind the S & P returns.

In the fixed-income sector, all but a handful of bank and insurance pooled funds did better last year than the 1.7-per-cent return registered by Seasoned Brokers high-grade bond index. A \$61-million fund managed by Pacific Mutual Life, Newport Beach, Calif., led the fixed-income pack with a 7.9-per-cent gain. Over the past nine years, about half the funds matched or exceeded the 6.4-per-cent average annual return of the index.

Little Affected by W. German Trade Data

Dollar Slides Lower in European Trading

LONDON, Jan. 25 (AP-DJ)—The dollar fell against most major currencies today, particularly the deutsche mark and Swiss franc, following news of a larger-than-expected trade surplus for West Germany in December.

The surplus was above the average market estimate and exceeded some of the higher forecasts by about a quarter-billion marks.

Curiously, the dollar was slow to react to the news. Immediately after the announcement, one London dealer said: "We haven't seen the panic merchants come in to sell dollars as you might expect." Trading throughout the

U.S. Planning Aid for Steel

WASHINGTON, Jan. 25 (AP-DJ)—The Carter administration plans \$100 million in loan guarantees as part of its program to aid financially troubled steel companies.

The money, from a revolving fund at the Commerce Department's economic development administration, would enable steel companies to continue operations and to modernize plants in areas of high unemployment or threatened major layoffs, according to a statement.

"We don't know how many different companies would be involved," said an official of the economic development administration. "It would be more than one location."

He said the department hopes to make the guarantees available "quite soon," after appropriate congressional committees are notified. Officials drawing up the industry rescue plan have for some time considered loan guarantees, at one point calling for as much as \$215 million. But the official plan outlined in December did not set a figure.

The government hopes to tie the guarantees to other financing arrangements so that more than just the federally guaranteed funds are available. "Obviously the need for capital resources is far greater than the EDA can provide," an agency official said.

As previously reported, the plan also calls for protection from low-priced steel imports, tax breaks for the industry, changes in enforcement of environmental regulations and aid to communities hit by layoffs.

Alien Investment In U.S. a Record

NEW YORK, Jan. 25 (NYT)—A record number of 274 investments in American manufacturing were reported by foreign companies to the Conference Board last year, it was announced yesterday.

The total compared with 254 in 1976 and 161 in 1975 and was the highest since the board began compiling such data in 1968. Dollar figures were reported for 150 of the 274 investments last year and amounted to \$2.9 billion.

West Germany accounted for 53 of the investments, up from 39 in 1976; Canada had 49, down from 62 in 1976. The United Kingdom made 37 investments here, "virtually the same" as in 1976, and Japan had 36, up from 18 the year before, the board said.

Industrial Activity Hits Record in Japan

TOKYO, Jan. 25 (AP-DJ)—Industrial activity in November showed the best rise in 20 months to an all-time high, according to a revised report by the Ministry of International Trade and Industry issued today.

The mining and manufacturing activity index rose 2.9 per cent in November from October and 3 per cent from a year ago to stand at a seasonally adjusted 123.6 (1970 equals 100), a record high level for the index.

The preliminary report showed monthly and yearly activity up by 2.8 per cent. The November rise is the sharpest since a 3.2 per cent gain posted in March, 1976.

Suspension to Be Temporary

U.S. to Halt Trade in U.K. Options

By Colleen Sullivan

WASHINGTON, Jan. 25 (WP)—The Commodity Futures Trading Commission today took the first step toward an eventual temporary suspension of dealer and London commodity options sales in the United States.

The five commissioners unanimously voted to direct the staff to prepare a suspension proposal together with a Federal Register notice by the end of this week. The notice is to give the public and commodity industry 30 days in which to comment on the proposal, before the CFTC takes final action.

At the crowded, open hearings, CFTC chairman William Bagley stressed that neither the session nor the suspension proposal were a reaction to the recent scandal surrounding the shutdown of Lloyd, Carr & Co. and the arrest of its president, Alan Abrahams, alias James Carr.

Lloyd, Carr allegedly bilked customers out of \$25 million to \$27 million in fraudulent London commodity options sales in the past year through artificially inflated mark-ups on the premiums and by "bucketing," which is the pocketing of the customers' funds on sales which are never executed at the exchange.

The CFTC had refused to register the firm or its principals to operate and was enmeshed in half a dozen administrative and court proceedings in the past 17 months in an attempt to put it out of business.

Today Mr. Bagley said the CFTC had scheduled the session on options policy weeks ago to discuss the second half of its proposed regulations for a pilot program of trading in U.S. commodity options on exchanges here. In early 1977 the commission approved the first part of the options regulations.

National publicity and criticisms of the agency's apparent inability to cope with the widespread fraud in London options led the commissioners to propose a temporary suspension of the London sales. The suspension would permit the agency to beef up its enforcement and investigative staffs and to minimize any negative spillover effect the London sales scandals might have on the domestic program.

The suspension proposal approved by the commissioners was presented by vice-chairman John

Rainbolt II. It provides for the suspension on London and deal options sales to be lifted after at least four criteria are met. They include:

- The institution of a so-called Title III program, which would create a self-regulatory industry agency similar to the National Association of Securities Dealers to help police commodity futures and commodity options trading.

- The beginning of the pilot program of domestic commodity options trading on U.S. exchanges.

- The implementation of the remainder of the proposed options

regulations, which were discussed today.

- The strengthening of the enforcement capability of the agency.

The last item is dependent on congressional approval of the CFTC's supplemental budget request of \$900,000 for the remainder of fiscal 1978 and \$1.5 million for fiscal 1979 for enforcement, investigative and administrative staff on options.

The supplemental request, which CFTC officials must defend at a congressional hearing on Feb. 23, would add 50 or 60 professionals to the agency's 450-person staff.

Late Selling on Wall Street Cuts Advance in Stock Prices

NEW YORK, Jan. 25 (NYT)—Stocks struggled to stay ahead all day but surrendered most of its gains in the final hour. Trading was light.

Analysts said the advance was aided by a rash of favorable corporate earnings reports, and the usual bargain-hunting in a heavily oversold market.

Continued on Page 11.5

GOLDMAN SACHS CAPABILITY: 1977-A RECORD YEAR IN SERVING INTERNATIONAL INVESTMENT BANKING CLIENTS.

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6% Convertible Debentures due August 31, 1992

Kingdom of Norway
\$150,000,000
7½% Notes due February 1, 1982

Kingdom of Norway
\$100,000,000
7½% Notes due June 15, 1982

Province of Saskatchewan
\$125,000,000
8½% Debentures due 2007

Republic of Finland
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Cdn. \$20,000,000 8½% Notes due May 15, 1984
Cdn. \$20,000,000 8½% Notes due May 15, 1987

General Foods, Limited
Cdn. \$25,000,000
8½% Notes 1984

Kao Soap Company, Ltd.
\$20,000,000

6% Convertible Bonds 1992

Walter Kidde Overseas Finance N.V.
\$50,000,000

8½% Guaranteed Notes due July 1, 1985

Orient Leasing (Caribbean) N.V.
\$20,000,000

8¼% Guaranteed Notes due 1983

Singer International Securities Company
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Table with 3 columns: Ticker, Price, Change. Includes various Japanese stocks like 3000 Dryer, 3000 East, 3000 Electro, etc.

Table with 3 columns: Ticker, Price, Change. Includes various European stocks like 3000 Dryer, 3000 East, 3000 Electro, etc.

Table with 3 columns: Ticker, Price, Change. Includes various US stocks like 3000 Dryer, 3000 East, 3000 Electro, etc.

International Stock Indexes

Table with 3 columns: Index, Value, Change. Includes various international stock indexes.

International Bonds Traded in Europe

Table with 3 columns: Bond, Price, Yield. Includes various international bonds.

European Markets

Table with 3 columns: Market, Price, Change. Includes various European market data.

U.S. Commodity Prices

Table with 3 columns: Commodity, Price, Change. Includes various US commodity prices.

London Metals Market

Table with 3 columns: Metal, Price, Change. Includes various London metals market data.

Gold Options

Table with 3 columns: Option, Price, Change. Includes various gold options.

London Gold Market

Table with 3 columns: Gold, Price, Change. Includes various London gold market data.

London Oil Market

Table with 3 columns: Oil, Price, Change. Includes various London oil market data.

London Wheat Market

Table with 3 columns: Wheat, Price, Change. Includes various London wheat market data.

London Corn Market

Table with 3 columns: Corn, Price, Change. Includes various London corn market data.

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Herald Tribune Classified Advertising Gets Results! Japan Opposes Tests. TOKYO, Jan. 25 (Reuters) - Japan called for a series of rocket launching tests scheduled to begin Friday in the southern Pacific off New Zealand, where 70 Japanese fishing vessels are operating.

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Wenzel Wins Another Slalom

BERGHOFFSBERG, West Germany, Jan. 25 (Reuters).—Hanni Wenzel today won her third World Cup slalom in four days and further increased her lead in the women's overall standings.

She completed two legs of the course in a combined time of one minute 45.75 seconds, nine-tenths of a second ahead of second-place skier, Lise-Marie Morerod, who finished in one minute 46.81 seconds.

Her latest success makes her an overwhelming favorite at next week's world championship slalom in nearby Garmisch-Partenkirchen. She won this event when the world championships were last held in St. Moritz, Switzerland, in 1974.

Several of her leading rivals came to grief today as they tried to match her pace on the hard-packed track, flagged out with

33 gates on the first run and 37 gates on the second.

Among those who were disqualified on the second leg after falling or missing a gate were Fritze Fahn, Becky Dorsey and Christina Cooper, all of whom were in the leading 10 after the first run.

The top U.S. finisher, Abbi Fisher, was ninth after the first run, with a clocking of 52.59. She advanced to fourth place in the final standings with the second best second-fastest clocking of 54.84.

Two Races Rescheduled
BERN, Jan. 25 (AP).—The World Cup women's downhill slalom race, postponed in Badgastein, Austria, last Wednesday because of poor weather conditions, has been rescheduled for March 13 at Badleichenstein, Austria, the International Ski Federation announced.

A men's World Cup downhill race, postponed twice at Wengen, Switzerland, this month, will be held at Laax, Switzerland, on March 12, the day after another men's downhill race scheduled at Laax.

Women's Slalom
1. Hanni Wenzel 1:45.75
2. Lise-Marie Morerod 1:46.81
3. Annemaree Moore 1:47.43
4. Len Seelmeier 1:47.69
5. Erica Hild 1:48.48
6. Wendy Blair 1:48.78
7. Tina Thoden 1:48.88
8. Sigrid Rodehorst 1:49.55
9. Marlene Moschen 1:49.55
10. Heidi Loeferer 1:50.22

World Cup Standings
Points
1. Hanni Wenzel 148
2. Lise-Marie Morerod 128
3. Annemaree Moore 109
4. Len Seelmeier 78
5. Erica Hild 78
6. Wendy Blair 78
7. Tina Thoden 58
8. Sigrid Rodehorst 58
9. Marlene Moschen 58
10. Heidi Loeferer 58

Perreault's Goal in Overtime Decides NHL All-Star Game

BUFFALO, N.Y., Jan. 25 (UPI).—Phil Perreault scored at 3 minutes 56 seconds of the first overtime period to give the Buffalo Sabres a 3-2 victory over the Cleveland Campbell Conference last night.

Perreault's shot from the side deflected into the net off the stick of Phil Esposito past goalie Wayne Stephenson.

Pick Martin had forced the Sabres to play in overtime by scoring in the third period. Both Martin and Perreault played for the Buffalo Sabres.

Last Year's Hero

The goal by Martin, who was the hero of last year's all-star game when he scored twice in the overtime period, followed a game-long back by the Sabres.

The second and third periods,

the Sabres team outshot the Camp-

bells, 31-5.

The Campbell could not man-

age a shot on goal in the second

period until 7:59 was remaining

in the 20-minute period, or in the

third until 7:27 was left.

Significant of the unbalanced

attacks was the fact that the

most valuable player award went

to goaltender Bill Smith of the

losing Campbell Conference.

Smith, of the New York Islanders,

played the first half of the game

and shut off the Sabres attack by

stopping the 16 shots directed at

him.

Bill Barber of the Philadelphia

Flyers and Denis Potvin of the

New York Islanders provided the

Campbell Conference with all the

offense it was to get by scoring

first-period goals.

The Sabres Conference finally

troughed through Stephenson

on a goal by Darryl Sittler of the

Toronto Maple Leafs with :29 left

in the second session.

The Sabres team outshot the Camp-

bells, 31-5.

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12